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SUPERIOR COURT BERGEN COUNTY
FILED

FEB 21 2013


DEPUTY CLERK

SUPERIOR COURT OF NEW JERSEY
CHANCERY DIVISION,
BERGEN COUNTY
DOCKET NO. BER-C- 01 -13

JEFFREY S. CHIESA, Attorney General of the
State of New Jersey, and ERIC T. KANEFISKY,
Acting Director of the New Jersey Division of
Consumer Affairs,

Plaintiffs,

v.

HURRICANE SANDY RELIEF FOUNDATION
A NJ NONPROFIT CORPORATION, JOHN
SANDBERG, CHRISTINA TERRACCINO,
JANE AND JOHN DOES 1-10, individually and as
owners, officers, directors, shareholders, founders,
managers, agents, servants, employees,
representatives and/or independent contractors of
HURRICANE SANDY RELIEF FOUNDATION
A NJ NONPROFIT CORPORATION, and XYZ
CORPORATIONS 1-10,

Defendants.

Civil Action

VERIFIED COMPLAINT

Plaintiffs Jeffrey S. Chiesa, Attorney General of the State of New Jersey (“Attorney General”), with offices located at 124 Halsey Street, Fifth Floor, Newark, New Jersey, and Eric T. Kanefsky, 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. In the aftermath of emergencies and major disasters, such as hurricanes, tropical storms, earthquakes, fires and floods, there is often a proliferation of well-intentioned individuals and entities who seek to assist those affected by the devastation through charitable fundraising. The Attorney General, through the Director, is responsible for ensuring that all such charitable fundraising in the State of New Jersey (“New Jersey” or “State”) is conducted with transparency, and that the individuals and entities conducting such fundraising provide accurate, truthful information when soliciting contributions from the public.

2. Further, it is the Attorney General’s responsibility to ensure that the monetary and in-kind 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 such organizations have the proper corporate framework to fulfill their charitable purpose.

3. In the aftermath of the region-wide devastation caused by Tropical Storm Sandy (“Superstorm Sandy”), defendants Hurricane Sandy Relief Foundation A NJ Nonprofit Corporation (“HSRF”), John Sandberg (“Sandberg”), and Christina Terraccino (“Terraccino”) (collectively, “Defendants”) commenced such charitable fundraising without complying with the applicable law and in a manner that had the capacity to mislead the public.

4. Through www.sandyrelief.org, the website for HSRF (“HSRF Website”), Defendants represent that HSRF is a 501(c)(3) tax-exempt organization and that “[a]ll of our donations go towards food, clothing, supplies, aid in rescue and clean up efforts, and the future rebuilding of communities and lives destroyed by Hurricane Sandy.” As of January 14, 2013, Defendants, through HSRF, obtained approximately \$600,000 in cash donations and approximately \$400,000 worth of supplies. Defendants have engaged in such solicitation since late October, despite not 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. Moreover, Defendants have falsely represented that they are affiliated with the Hurricane Sandy New Jersey Relief Fund, Inc. (also referred to as “HSNJRF”), a registered charitable organization with 501(c)(3) status, when, in actuality, no such affiliation exists.

5. Further, through the HSRF Website, Defendants have represented that donations will be applied “toward immediate relief” of victims of Superstorm Sandy. Despite this sense of urgency, Defendants have failed to date to distribute the vast majority of donations. Rather, most of the money raised by Defendants sits unused in a PayPal account and a checking account. Even more concerning to the Attorney General and Director, Defendants transferred thousands of dollars in contributions from HSRF’s accounts to the personal accounts of Sandberg and Terraccino.

6. As detailed below, Defendants’ conduct constitutes multiple violations of the Charitable Registration and Investigations 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, Defendants have 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 their personal funds; (c) falsely representing on the HSRF Website that HSRF is a 501(c)(3) organization; (d) using the term “Hurricane Sandy New Jersey Relief Fund” on the HSRF Website to solicit contributions to HSRF, when no such affiliation exists with the “Hurricane Sandy New Jersey Relief Fund, Inc.,” the duly registered New Jersey charity; and (e) representing on the HSRF Website that contributions will be immediately applied to assist Superstorm Sandy victims and that “all” donations will go to victims of Superstorm Sandy, when only a fraction of contributions have been distributed and thousands of dollars have been transferred into the personal accounts of Sandberg and Terraccino. 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 Defendants’ solicitation of charitable contributions and to preserve HSRF’s records and assets, which include the public donations made to assist those affected by Superstorm Sandy.

PARTIES AND JURISDICTION

7. 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.

8. 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.

9. Venue is proper in Bergen County, pursuant to R. 4:3-2, because it is the county in which Defendants have maintained a principal place of business.

10. On October 31, 2012, HSRF was established as a Domestic Not-for-Profit Corporation in the State. At all relevant times, HSRF has maintained a main business address of [REDACTED] which is the home address of Sandberg's parents.

11. The registered agent in the State for HSRF is Terraccino, with a registered office address of [REDACTED] which is the residence she shares with Sandberg.

12. At all relevant times, Sandberg has held himself out as HSRF's President, Treasurer and Chief Operating Officer and has participated, managed, controlled and/or facilitated the unlawful acts alleged in this Verified Complaint.

13. At all relevant times, Terraccino has held herself out as HSRF's Vice-President and CFO and has participated, managed, controlled and/or facilitated the unlawful acts alleged in this Verified Complaint.

14. Other than Sandberg and Terraccino, the only other individuals who have been identified as affiliated with HSRF are Sandberg's sister, Julie Sandberg ("J. Sandberg"), represented to be HSRF's Secretary, and Mike Teel, represented to be a Board Member of HSRF.

15. Sandberg, Terraccino and J. Sandberg have been identified as HSRF's First Board of Trustees.

16. 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 HSRF 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.

17. 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. Superstorm Sandy and Executive Order No. 104 Declaring a State of Emergency

18. On Saturday October 27, 2012 at approximately 11:30 a.m., due to the approach of Superstorm Sandy, Governor Chris Christie ("Governor Christie") issued Executive Order No. 104, which immediately declared a State of Emergency in New Jersey ("State of Emergency").

19. Upon information and belief, on Sunday October 28, 2012, President Barack Obama signed an emergency disaster declaration for New Jersey.

20. Upon information and belief, on Monday October 29, 2012, Superstorm Sandy made landfall in New Jersey, which at that time had been categorized as a tropical storm, and resulted in severe weather conditions of an unprecedented magnitude, including enormous storm surges, devastating winds and widespread flooding, particularly to the New Jersey shoreline, homes and businesses.

21. In several municipalities, particularly those along the New Jersey coast, residents were forced to evacuate their homes. At the height of Superstorm Sandy, over 116,000 persons were under mandatory evacuation and were displaced.

22. Superstorm Sandy caused unprecedented damage throughout New Jersey, which included 346,000 homes and housing units being damaged or destroyed.

B. Defendants' Creation Of HSRF And Its Websites:

23. On Friday October 26, 2012 (one (1) day before the State of Emergency declaration and three (3) days before Superstorm Sandy made landfall in New Jersey), Sandberg began registering approximately 110 Sandy/Relief-related domain names which included the HSRF Website (www.sandyrelief.org). Eleven of the domain names registered by Sandberg include the terms "Sandy," "New Jersey," "Relief" and "Fund."

24. Sandberg has previously engaged in disaster relief domain name purchases, specifically by registering eight (8) Hawaii-related disaster internet domains after a tsunami hit the islands on March 11, 2011.

25. Sandberg designed the HSRF Website and in so doing, used both keywords and back coding to ensure that when a member of the public searched for a Sandy/Relief-related charity, HSRF would outrank other organizations in web-based search results, including on Google. Thus, the HSRF Website would appear either as the first or close to the first entry on a search results page.

26. The “HSRF” portion of the HSRF Website includes a Mission Statement, which provides as follows:

The Foundation is the philanthropic arm of sandyrelief.org. Its mission is to foster charitable giving to the victims of Hurricane Sandy. The ultimate goal of these efforts is to extend relief and improve the quality of life for the affected families and communities. The Foundation partners with its donors, support groups and volunteers, join together in an effort to raise awareness and offer help and hope to victims of Hurricane Sandy.

27. The HSRF Website further stated in at least one area that “The Hurricane Sandy Relief Foundation is a 501(c)(3) Non Profit organization.”

28. The “Contact” portion of the HSRF Website directs that donations made by check be sent to [REDACTED] which is the home address of Terraccino’s parents. Also, the “Contact” portion of the HSRF Website indicates that in-kind donations (e.g. food, water, clothing and various household items) can be sent to the HSRF headquarters, which is a warehouse facility located at 564 Lafayette Road, Sparta, New Jersey 07871 (“564 Lafayette Road, Sparta”).

29. The homepage and subsequent portions of the HSRF Website identify “sponsors” which include Hanes Brands (“Hanes”) and CSX Corporation (“CSX”).

30. The “Donations” portion of the HSRF Website includes a link to the page titled “Hurricane Sandy New Jersey Relief Fund,” which states that “[a]ll Hurricane Sandy New Jersey

Relief Fund donations go towards clean up efforts, and the future rebuilding of communities and lives destroyed by Hurricane Sandy.” In actuality, the Hurricane Sandy New Jersey Relief Fund, Inc. is a charitable organization entirely unaffiliated with HSRF.

31. The “Donations” portion of the HSRF Website which references the “Hurricane Sandy New Jersey Relief Fund” also includes a link to a January 14, 2013 article published in The Star Ledger titled “Hundreds of Hurricane Sandy victims get jackets, winter clothing from clothing . . .” The article discusses an event involving the actual Hurricane Sandy New Jersey Relief Fund through which that charitable organization donated winter clothing to hundreds of Superstorm Sandy victims. HSRF was not involved in that event. The inclusion of this article on the HSRF Website gives the further misimpression that the web page belongs to the Hurricane Sandy New Jersey Relief Fund, Inc., which is registered with the Division.

32. In addition, the “Donations” portion of the HSRF Website which references the “Hurricane Sandy New Jersey Relief Fund” includes a link to PayPal which permits donors to make monetary contributions online. All contributions made via that PayPal link go to HSRF, not HSNJRF.

33. Unlike HSRF, HSNJRF has been registered as a charitable organization with the Division since November 8, 2012 and was granted 501(c)(3) status from the IRS on November 27, 2012.

34. To date, the HSRF Website still includes references to the Hurricane Sandy New Jersey Relief Fund, Inc.

35. The HSRF Website also includes an advertisement for Sandy/Relief-related bracelets produced by “She Beads,” a jewelry producer based in Chicago, Illinois. The

advertisement states that \$22.00 from each purchase is donated to HSRF and includes a link to the She Beads website located at www.sbstore.com (“She Beads Website”), where members of the public can purchase the bracelet. As HSRF is neither a registered charitable organization nor a recognized 501(c)(3) tax-exempt organization, the \$22.00 cannot be deducted as a charitable contribution.

36. On February 19, 2013, the Division received a complaint from She Beads as to SandyRelief.org, Sandberg and Terraccino. Among other things, She Beads states that the company designed the “Together We Are Strong” bracelets and donated \$22.00 per sale to HSRF, through the Donation link on the HSRF Website, for a total of \$9,324.00. She Beads has informed the Division that the company seeks return of the donations “so that I could forward this to a 501c3 group to get my money where I promised it would go. To the victims of Hurricane Sandy.”

37. Throughout December 2012 and January 2013, the HSRF Website was updated by Sandberg as well as “volunteer” Anthony Yopez, a self-proclaimed “digital marketing social media specialist.”

38. On February 11, 2013, the Division contacted Hanes and confirmed that there is no relationship between Hanes and HSRF. Further, the Hanes representative stated that there was an attempt to contact HSRF to inquire as to why the Hanes logo was included as a sponsor on the HSRF Website.

39. On February 12, 2013, the Division confirmed with CSX that their counsel forwarded a letter to HSRF stating that: (a) CSX had not authorized the use of the CSX logo on the HSRF Website; (b) CSX had explicitly instructed HSRF to remove the CSX logo from the

HSRF Website; and (c) continued use of the CSX logo would constitute willful trademark infringement.

C. Division's Request For Information Concerning Defendants:

40. On January 2, 2013, the Division forwarded a letter to HSRF ("January 2 Letter"), directed to Sandberg's attention, advising, among other things, that "New Jersey law requires that charitable organizations register with the Division's Charities Registration Section prior to soliciting donations, unless exempt" and that "the Division has not received an application for registration from HSRF."

41. By the January 2 Letter, the Division also scheduled a January 10, 2013 meeting and requested that HSRF provide the following documents on or before January 7, 2013: (a) the determination letter from the IRS regarding any tax-exempt status; (b) an accounting of monetary donations received by HSRF; (c) an accounting of each monetary grant or other assistance provided by HSRF; (d) a list of all fund-raising events sponsored by the HSRF and the amount received at each event; and (e) a list of any entities and/or individuals with which HSRF shares the information provided through its "Application for HSRF Assistance."

42. On January 4, 2013, Sandberg submitted to the Division: (a) the notice, dated November 1, 2012, from the IRS assigning the Employee Identification Number ("EIN") to HSRF; (b) the New Jersey Department of the Treasury, Division of Revenue and Enterprise Services Certificate for HSRF; (c) an accounting of PayPal donations received between November 1, 2012 through December 31, 2012, totaling \$261,005.00; (d) a spreadsheet of checks received by mail and deposited between November 20, 2012 and December 28, 2012, totaling \$181,897.89; (e) a spreadsheet listing assistance awards, specifically a \$600.00 Lowe's

gift card and \$50.00 Walmart gift card given to an individual, and a \$1,000.00 Lowes gift card given to the Moonachie First Aid & Rescue Squad; and (f) a Division Form CRI-200, Short-Form Registration/Verification Statement (“Form CRI-200”) on behalf of HSRF.

43. On January 10, 2013, a meeting was held between representatives of the Division and Sandberg and Terraccino (“January 10 Meeting”).

44. During the January 10 Meeting, Defendants represented that HSRF had collected approximately \$600,000.00 through both online and check donations and had received approximately \$400,000.00 in donated goods to be distributed. Defendants further stated that the donated goods which had not been distributed were being held at the warehouse located at 564 Lafayette Road Sparta.

45. During the January 10 Meeting, the Division advised Sandberg and Terraccino that the Form CRI-200 was not the correct registration form and that they immediately needed to file the correct registration form with the Division’s Charities Registration Unit in order to be in compliance with New Jersey law.

46. During the January 10 Meeting, the Division also advised Sandberg and Terraccino that they were representing that HSRF had 501(c)(3) status when, in fact, such was not the case, and questioned their ability to manage HSRF, especially given their lack of not-for-profit experience and the absence of any corporate by-laws, meetings, minutes and resolutions. At that time, Terraccino represented that the HSRF Board of Trustees met on at least one (1) occasion.

47. Following that meeting, on January 15, 2013, Terraccino e-mailed a letter on behalf of HSRF to the Division along with the following documents: (a) November and

December 2012 TD Bank statements for HSRF's non-interest bearing checking account; (b) a HSRF-generated check deposit report; (c) copies of checks and accompanying correspondence received by HSRF; (d) HSRF e-mail correspondence with "CharityNetUSA," a Florida-based for-profit entity that provides online formation and development assistance to nonprofit organizations; and (e) an e-mail from William Melchior from Kern Augustine Conroy & Schoppman P.C. to HSRF concerning a donation.

48. On January 15, 2013, Terracino also e-mailed a letter on behalf of the HSRF to the Division advising that all references to any "501(c)(3) status" had been removed from the HSRF Website and of the "unanimous" vote of the HSRF's Board of Directors to contribute an additional sum of \$8,000.00 to the Moonachie First Aid & Rescue Squad.

49. At least as of January 16, 2013, the HSRF Website continued to reflect that HSRF was a 501(c)(3) organization. As of February 13, 2013, the HSRF Facebook and Twitter pages continue to post references to HSRF's 501(c)(3) status. To date, no resolution of the HSRF's Board of Directors has been proffered regarding the additional contribution to the Moonachie First Aid & Rescue Squad.

50. On December 31, 2012, the Division issued an Administrative Subpoena Duces Tecum upon PayPal ("PayPal Subpoena") which is used by HSRF to receive online donations. On January 25, 2013, the Division received documents in response to the PayPal Subpoena.

51. On January 15, 2013, the Division issued an Administrative Subpoena Duces Tecum upon TD Bank ("TD Bank Subpoena"), where HSRF maintains its organizational checking account and where Terracino also maintains an account. On January 28, 2013 and February 12, 2013, the Division received documents in response to the TD Bank Subpoena.

52. On January 16, 2013, the Division issued an Administrative Subpoena Duces Tecum upon GoDaddy.com (“GoDaddy Subpoena”), which Sandberg used to purchase and register over 110 domain names, including the HSRF Website. On February 1, 2013, the Division received documents in response to the GoDaddy Subpoena.

D. Defendants’ Solicitation And Receipt Of Donations:

53. On or about November 4, 2012, HSRF received its first online contribution through PayPal.

54. On or about November 8, 2012, Defendants deposited the first checks forwarded to HSRF into a checking account held in the name of HSRF at TD Bank in Rockaway, New Jersey. The HSRF bank account had been opened on that date with Sandberg and Terraccino as signatories to the account.

55. On or about November 13, 2012, online donations received by HSRF through PayPal exceeded \$10,000.00.

56. On or about December 13, 2012, Terraccino responded to an inquiry by the New York Attorney General concerning HSRF. Terraccino reported that, as of that date, HSRF had received approximately \$75,000.00 in donations and pledges and had spent approximately \$8,000.00 on Sandy relief efforts. Specifically, Terraccino reported that HSRF gave the Moonachie First Aid & Rescue Squad a \$1,000.00 gift card to Lowe’s, and gave an individual a \$650.00 gift card to Lowe’s.

57. The documents produced in response to the PayPal Subpoena indicate that in addition to the HSRF account (“HSRF PayPal Account”), there are personal accounts held by

both Sandberg and Terraccino at PayPal (“Sandberg PayPal Account” and “Terraccino PayPal Account,” respectively).

58. The PayPal documents reflect the following: (a) a transfer of \$2,350.00 from the HSRF PayPal Account to the Terraccino PayPal Account on December 4, 2012; (b) a transfer of \$5,000.00 from the HSRF PayPal Account to the Terraccino PayPal Account on December 19, 2012; and (c) a transfer of \$100.00 from the HSRF PayPal Account to the Sandberg PayPal Account on December 16, 2012. In total, \$7,450.00 was transferred from the HSRF PayPal Account to the Terraccino and Sandberg PayPal Accounts.

59. The PayPal documents further reflect the following as to the Sandberg PayPal Account: (a) from October 30, 2012 through November 3, 2012, monies with the identifier “Hurricane Sandy Relief Foundation” were deposited, in the aggregate amount of \$3,931.73; (b) on December 16, 2012, a \$96.80 deposit identified as “Hurricane Sandy Relief Foundation” was made; (c) transfers were made from the Sandberg PayPal Account to the HSRF PayPal Account on November 4, 14, 18 and 24, 2012, in the aggregate amount of \$2,902.00. Thus, approximately \$1,146.53 of deposits using the identifier HSRF remain in the Sandberg PayPal Account.

60. The PayPal documents include a transfer of \$3,045.25 from the HSRF PayPal Account to “Jezel Yopez.” Upon information and belief, “Jezel Yopez” is an alias for Anthony Yopez, who Sandberg and Terraccino represented to the Division is a “volunteer” for HSRF who participated in the update of the HSRF Website.

61. The TD Bank documents reflect checking accounts for HSRF, Terraccino, and J. Sandberg (“HSRF TD Account,” “Terraccino TD Account,” and “J. Sandberg TD Account,” respectively).

62. The Terraccino TD Account was opened on May 4, 2012, and the J. Sandberg TD Account was opened on March 23, 2010. On November 8, 2012, the HSRF TD Account was opened, with Sandberg and Terraccino as signatories, and the first checks were deposited.

63. The TD Bank documents reflect the following: (a) as of January 15, 2013, there was a balance of \$587,252.37 in the HSRF TD Account; (b) on December 18, 2012, a check in the amount of \$500.00 was issued from the HSRF TD Account to American Nursery, which was signed by Sandberg and deposited into an account with an endorsement stamp that reads “Ivy League Shrubs LLC dba American Nursery,” an entity in which Sandberg is an officer-member; and (c) on January 2, 2013, a check in the amount of \$5,000.00 was issued from the HSRF TD Account to Terraccino, which check was deposited into the Terraccino TD Account.

64. In total, Terraccino has received \$12,350.00 from the HSRF PayPal Account and the HSRF TD Account, specifically: (a) \$2,350.00 PayPal transfer on December 4, 2012; (b) \$5,000.00 PayPal transfer on December 19, 2012; and (c) \$5,000.00 check on January 2, 2013. Review of the TD Bank documents for the Terraccino TD Account show that, but for the deposits of HSRF funds, the account would have had a deficit balance and would not have been sufficient to pay for several of Terraccino’s personal expenses, including: (a) payment of \$3,800.00 to Discover on December 26, 2012; (b) direct debit of \$1,478.39 to Discover on January 3, 2013; and (c) direct debit of \$2,718.61 to Discover on January 7, 2013.

65. Additionally, the TD Bank documents reflect a series of withdrawals from the HSRF TD Account, including: (a) on January 14, 2013, \$856.93 to Colson Enterprises Starz, a home heating oil delivery service in the Sparta, New Jersey area where Sandberg and Terraccino reside; (b) on December 24, 2012, \$2,138.93 to the Apple Online Store; (c) on December 24, 2012, an aggregate payment of \$1,180.65 to Pathmark and Super Stop n' Shop; (d) on December 3, 2012 and December 20, 2012, payments totaling \$65.12 to the Christmas Tree Shops; and (e) payments totaling approximately \$262.75 to restaurants, including the Vivo Tapas Lounge in Newark.

66. The TD Bank documents reflect the purchase of six (6) VISA gift cards with a total value of \$1,900.00 from the HSRF TD Account. As of February 6, 2013, the available balance on these six (6) VISA gift cards was \$202.38.

67. The GoDaddy documents confirm that Sandberg registered the HSRF Website on October 26, 2012. The GoDaddy documents also confirm that Sandberg registered approximately 110 other Sandy-related websites including: njsandyrelief.org, sandyfundnj.com, sandyfundnj.org, njsandyfund.org, njrelieffund.org, njrelieffund.com, njhurricanerelief.org, hurricanesandyreliefnj.org, hurricanesandyfundnj.org, hurricanesandynewjerseyfund.org, and sandyrelieffundnj.org.

68. The PayPal documents and the TD Bank documents indicate that from October 30, 2012 through January 15, 2013, HSRF collected monetary donations from at least 1,999 persons, either through PayPal or by check, in the aggregate amount of \$631,718.89.

E. Defendants' Failure To Properly Register HSRF As A Charitable Organization:

69. At least from October 30, 2012 to date, Defendants, individually and through HSRF, have solicited and collected monetary and other donations, allegedly to “foster charitable giving to the victims of Hurricane Sandy.” Between October 30, 2012 and January 4, 2013, Defendants were actively soliciting donations and raising hundreds of thousands of dollars, yet never made any attempt to register HSRF as a charitable organization with the Division.

70. On January 4, 2013 and in response to the Division’s January 2 Letter, Sandberg forwarded to the Division a Form CRI-200 on behalf of HSRF. By letter, e-mailed and sent by certified mail, return receipt requested, to HSRF on January 31, 2013, the Division advised that “since HSRF neither used the proper procedure for filing nor submitted the proper form, the Division has not accepted the Form CRI-200 attached to Mr. Sandberg’s e-mail of January 4, 2013.” In that letter, the Division directed HSRF to the Division’s website to obtain registration information, instructions, forms and a fee schedule.

71. On February 8, 2013, Terracino emailed to the Division a copy of HSRF’s CRI-150-I Long-Form Initial Registration/Verification Statement (“HSRF Form CRI-150-I”). On February 12, 2013, the Division’s Charities Registration Section received and examined the HSRF Form CRI-150-I.

72. Among other things, the HSRF Form CRI-150-I reports that no officer, director trustee or executive staff is compensated. The PayPal documents and the TD Bank documents, however, indicate that Terracino has received \$12,350.00 in unexplained payments from HSRF.

73. In connection with the HSRF Form CRI-150-I, Defendants submitted the Certificate of Incorporation for HSRF, which indicated “As Set Forth In the Bylaws” in response

to the following: (a) Qualification as set forth herein; (b) Rights and limitations of members if not previously addressed; (c) Method of electing Trustees as set forth herein; and (d) Asset distribution. The Certificate of Incorporation also identifies HSRF's business purpose as "Aid and Relief For Hurricane Sandy Victims."

74. Defendants also reference the HSRF bylaws in the HSRF Form CRI-150-I. Defendants did not submit bylaws with the HSRF Form CRI-150-I.

75. On the HSRF CRI-150-I, Defendants reported that HSRF's combined deposits from the PayPal and TD Bank accounts through December 31, 2012 totaled \$466,243.00. The PayPal documents and TD Bank documents provided to the Division, however, reflect total deposits for HSRF in the amount of \$504,922.81, a difference of \$38,679.81, which is unaccounted for.

76. On February 12, 2013, the Division's Charities Registration Section provided Terraccino with written notification of the deficiencies in the HSRF Form CRI-150-I, which include failing to provide: (a) the IRS Form 1023 tax-exempt status application; (b) the HSRF Bylaws; (c) any IRS determination letter, because a determination has not yet been made as to HSRF's tax-exempt status; and (d) the filing fee.

77. To date, HSRF is not registered as a charitable organization in the State.

78. To date, HSRF has not received 501(c)(3) tax-exempt status from the IRS although it continues to represent it has such status.

COUNT I

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

79. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 78 above as if more fully set forth herein.

80. 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).]

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

81. 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).]

82. 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(a), (c).]

83. At all relevant times, HSRF has functioned as a charitable organization within the meaning of the CRIA, in that it has solicited charitable donations for the benefit of Sandy victims.

84. Further, the CRIA, 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.

85. The Charities Regulations, N.J.A.C. 13:48-3.1(a), set forth the same requirement.

86. HSRF 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).

87. As HSRF has collected contributions in excess of \$25,000.00, it is required to file the Long Form Registration Statement, 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.

88. At no time prior to February 12, 2013 did HSRF submit a Form CRI-150-I to the Charities Registration Section of the Division.

89. On February 12, 2013, the Division's Charities Registration Section received the HSRF Form CRI-150-I and upon examination, determined that there are numerous deficiencies, which information has been communicated to HSRF, through Terraccino.

90. Defendants have violated the CRIA and the Charities Regulations by soliciting contributions through the HSRF Website and otherwise, without HSRF being registered as a charitable organization with the Division.

91. Between October 30, 2012 and January 15, 2013, Defendants have collected monetary donations from at least 1,999 persons, either through PayPal or by check, in the aggregate amount of \$631,718.89.

92. Each solicitation that Defendants made while HSRF has not been 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 DEFENDANTS (UNTRUTHFUL STATEMENTS AND MISPRESENTATIONS)

93. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 92 above as if more fully set forth herein.

94. 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, shall be truthful.

...

c. The following facts 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.

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

95. 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).

96. Defendants have made false statements and misrepresentations in violation of the CRIA and the Charities Regulations.

97. The conduct of Defendants 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 HSRF Website that HSRF is a “501(c)(3) nonprofit organization,” when such is not the case;
- b. Representing on the HSRF Website that HSRF “is the philanthropic arm of sandyrelief.org” and “its mission is to foster charitable giving to the victims of Hurricane Sandy,” although HSRF is not registered as a charitable organization;
- c. Representing on the HSRF Website that “[a]ll of our donations go towards food, clothing, supplies, aid in rescue and clean up efforts, and the future rebuilding of communities and lives destroyed by Hurricane Sandy,” then applying donations to the personal use of Sandberg and/or Terraccino;
- d. Representing on the HSRF Website that donations would go toward “immediate relief” for Sandy victims, but by Defendants’ own admission, only \$1,650.00 in gift cards have been distributed after three and one half (3½) months;
- e. Misleading the public that any donations made to HSRF would be eligible for a charitable contribution deduction under the IRS Code;
- f. Misleading the public that the creation of HSRF was by Sandy victims intended to benefit other Sandy victims when, in fact, Sandberg has engaged in a pattern of attempts to profit from natural disasters through registration of disaster domain names;

- g. Misleading the public that donations would go toward Shore victims, but by Defendants' own admission, only \$1,650.00 in gift cards have been distributed, 1,000.00 of which was given to the Moonachie First Aid & Rescue Squad in Bergen County;
- h. Misleading the public by calling themselves the "Hurricane Sandy New Jersey Relief Fund," although they have no affiliation with that registered charity;
- i. Misleading the public by including on the "Donations" portion of the HSRF Website identified as "Hurricane Sandy New Jersey Relief Fund" a PayPal link that permits donors to make online contributions, all of which go to HSRF, not HSNJRF;
- j. Misleading the public by including on the "Donations" portion of the HSRF Website identified as "Hurricane Sandy New Jersey Relief Fund" a link to The Star Ledger article of January 14, 2013 discussing an event whereby HSNJRF donated winter clothing to hundreds of victims of Superstorm Sandy;
- k. Misleading the public by identifying Hanes as a "sponsor" on the homepage and subsequent pages of the HSRF Website, when HSRF was not authorized to utilize the Hanes logo; and
- l. Misleading the public by identifying CSX as a "sponsor" on the homepage and subsequent pages of the HSRF Website, when HSRF was not authorized to utilize the CSX logo and was expressly instructed to remove the logo.

98. Each false statement or misrepresentation by Defendants 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 CRIA AND THE CHARITIES REGULATIONS BY DEFENDANTS (HSRF NAME SIMILAR TO REGISTERED CHARITY)

99. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 98 above as if more fully set forth herein.

100. The CRIA, N.J.S.A. 45:17A-32(c), further finds the following act or practice to be unlawful:

(4) To utilize a name, symbol or statement so closely related or similar to that used by another charitable organization and registered by that organization with the United States Patent and Trademark Office or registered pursuant to R.S. 56:2-1 et seq. that its use would confuse or mislead a solicited person or to solicit contributions in a manner or through representations that falsely imply or are likely to create the mistaken belief that contributions are solicited by or on behalf of another charitable organization.

[N.J.S.A. 45:17A-32(c)(4).]

101. The Charities Regulations specifically set forth the same requirements in N.J.A.C. 13:48-13.2(a)(4).

102. Defendants have falsely implied a connection with or created the opportunity for confusion between HSRF and HSNJRF, which is a registered charitable organization as well as a recognized 501(c)(3) nonprofit organization. The HSRF Website identifies the site as belonging to the “Hurricane Sandy New Jersey Relief Fund” on the “Donations” portion of the website, and by doing so uses the same name as HSNJRF, a duly registered charitable organization in the State and allows members of the public to forward donations via PayPal on the page.

103. Although the “Donations” portion of the HSRF Website refers to donations to the “Hurricane Sandy New Jersey Relief Fund” and includes a link to The Star Ledger article discussing an event sponsored by HSNJRF – not HSRF -- whereby winter clothing was donated to Superstorm Sandy victims, the PayPal link only enables donations to HSRF.

104. Each solicitation or contribution made to HSRF which falsely implies a connection between HSRF and the HSNJRF or is undertaken in a manner or through representations that are likely to create the mistaken belief that contributions are solicited by or

on behalf of HSNJRF, constitutes a separate violation of the CRIA, N.J.S.A. 45:17A-32(c)(4), and the Charities Regulations, N.J.A.C. 13:48-13.2(a)(4).

COUNT IV

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

105. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 104 above as if more fully set forth herein.

106. 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 . . . 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 . . .

107. Defendants, have solicited monetary and other donations through the HSRF Website by leading donors to believe that they are making charitable contributions, among other things, by falsely stating that HSRF is a 501(c)(3) organization.

108. At all relevant times, HSRF has not been registered as charitable organization with the Division nor as a 501(c)(3) organization with the IRS, despite the concerns expressed by the Division at the January 10 Meeting.

109. Each solicitation of funds by Defendants 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 V

**VIOLATION OF THE CFA BY DEFENDANTS
(UNCONSCIONABLE COMMERCIAL
PRACTICES AND DECEPTION)**

110. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 109 above as if more fully set forth herein.

111. 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...

112. The HSRF Website includes an advertisement for Sandy/Relief-related bracelets produced by "She Beads." The advertisement links to the "She Beads" website located at www.sbstore.com, allowing a member of the public to purchase the Sandy/Relief-related bracelet.

113. The HSRF Website states: "She Beads Sandy Relief Bracelet / Together We Are Strong / \$36* *\$22 from this purchase will be donated to the HSRF."

114. In the advertisement of the She Beads Sandy Relief Bracelet, Defendants have violated the CFA through the following unconscionable commercial practices and acts of deception: Misleading the public that a portion of the price they pay for the She Beads Sandy Relief Bracelet could be deducted as a charitable contribution, when such is not the case because

HSRF is neither a registered charitable organization nor a recognized 501(c)(3) tax-exempt organization.

115. Each unconscionable commercial practice and act of deception by Defendants 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 VI

VIOLATION OF THE NEW JERSEY NONPROFIT CORPORATION ACT BY DEFENDANTS (FAILURE TO PROVIDE BYLAWS)

116. Plaintiffs repeat and reallege the allegations contained in paragraphs 1 through 115 above as if more fully set forth herein.

117. Among the underlying purposes of the Act is “to provide a general corporate form for the conduct of lawful, nonprofit activities. . .” N.J.S.A. 15A:1-1(c)(2).

118. To that end, the Act outlines the requirements for a Certificate of Incorporation, and provides in pertinent part that:

a. The certificate of incorporation shall set forth:

(1) The name of the corporation;

. . .

(3) If the corporation is to have members, the qualifications for members or that the qualifications shall be set forth in the bylaws of the corporation;

(4) If the members are to be divided into classes, the relative rights and limitations of the different classes of members to the extent those rights and limitations have been determined or that the rights and limitations shall be as set forth in the bylaws of the corporation;

. . .

(6) The method of electing trustees or that the method shall be as set forth in the bylaws of the corporation;

(12) The method of distribution of assets of the corporation upon dissolution of that the distribution shall be as set forth in the bylaws of the corporation.

[N.J.S.A. 15A-2-8.]

119. In this regard, the Act addresses the making of bylaws and provides, in pertinent part that “[t]he initial bylaws of a corporation shall be adopted by the board at its organizational meeting. . .” N.J.S.A. 15A:2-10(a).

120. Defendants have referenced the HSRF Bylaws in the sections of the HSRF Certificate of Incorporation addressing the qualification of members, the rights and limitations of members, the method of electing trustees, and asset distribution. Defendants also reference the HSRF bylaws in the HSRF Form CRI-150-I.

121. To date, Defendants have failed to provide bylaws for HSRF, whether in connection with the HSRF Form CRI-150-I or otherwise.

122. In the event Defendants have failed to adopt bylaws, the HSRF Certificate of Incorporation fails to comply with the requirements of the Act, specifically N.J.S.A. 15A:2-8.

123. To the extent Defendants may have conducted an organizational meeting of HSRF and failed to adopt bylaws, such comprises a further violation of the Act, specifically N.J.S.A. 15:A-2-10.

COUNT VII

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

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

125. 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).]

126. 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.]

127. To date, Defendants have failed to apply the vast majority of monetary and in-kind contributions made to HSRF to the victims of Superstorm Sandy. As such, Defendants have failed to conduct the activities of HSRF in a manner consistent with the business purpose as articulated in its Certificate of Incorporation, specifically to provide “aid and relief for Hurricane Sandy victims.”

128. In their solicitation of contributions to HSRF, Defendants have made false and misleading statements and otherwise engaged in conduct which will inure to the detriment of the public making such contributions.

129. Among other things, Defendants have:

- a. Misrepresented on the HSRF Website that HSRF is a “501(c)(3) nonprofit organization”;
- b. Misrepresented on the HSRF Website that HSRF “is the philanthropic arm of sandyrelief.org” and “its mission is to foster charitable giving to the victims of Hurricane Sandy,” when HSRF is not registered as a charitable organization;
- c. Represented on the HSRF Website that “[a]ll of our donations go towards food, clothing, supplies, aid in rescue and clean up efforts, and the future rebuilding of communities and lives destroyed by Hurricane Sandy,” then applied donations to the personal use of Sandberg and/or Terracino;
- d. Represented on the HSRF Website that donations would be applied to “immediate relief” for Superstorm Sandy victims, but by their own admission, Defendants distributed only \$1,650.00 in gift cards, \$1,000.00 of which was sent to the Moonachie First Aid & Rescue Squad;
- e. Mised the public that any donations made to HSRF would be eligible for a charitable contribution deduction under the IRS Code, when such is not the case;
- f. Included in the HSRF Website references to the “Hurricane Sandy New Jersey Relief Fund,” a duly registered New Jersey charity that is not affiliated with HSRF; and
- g. Mised the public by including on the “Donations” portion of the HSRF Website identified as “Hurricane Sandy New Jersey Relief Fund” a PayPal

link that permits donors to make online contributions, all of which go to HSRF, not HSNJRF.

130. Based upon Defendants' conduct, dissolution of HSRF is appropriate, as provided by the Act, specifically N.J.S.A. 15A-12-11(a)(1), (11).

131. Based upon Defendants' 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 Defendants:

- (a) Finding that the acts and practices of Defendants 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., as well as 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 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, 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 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 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) Permanently enjoining Sandberg and Terracino whether individually or through any corporation, from registering or operating any charitable organization and/or independent paid fund raiser within New Jersey, in accordance with the CRIA, N.J.S.A. 45:17A-33(e);

- (e) Ordering Defendants to arrange for the shut down of the HSRF Website, the Sandystories Website as well as Defendants' affiliated online accounts, including, but not limited to, any Facebook page, Twitter account and Amazon registry;
- (f) Vacating or annulling the corporate charter of HSRF, 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;
- (g) Ordering Defendants 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;
- (h) 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 Defendants' expense, to assume control over the assets of Defendants, 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 Defendants;
- (i) Directing Defendants 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;
- (j) 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;
- (k) Directing Defendants, jointly and severally, to pay the maximum civil penalties for each and every violation of the CFA, in accordance with N.J.S.A. 56:8-13;
- (l) Directing Defendants 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

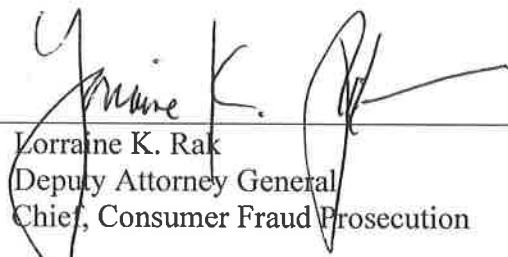
(m) Granting such other relief as the interests of justice may require.

JEFFREY S. CHIESA
ATTORNEY GENERAL OF NEW JERSEY
Attorney for Plaintiffs

By: 
Kourtney J.A. Knob
Deputy Attorney General

Dated: February 21, 2013
Newark, New Jersey

JEFFREY S. CHIESA
ATTORNEY GENERAL OF NEW JERSEY
Attorney for Plaintiffs

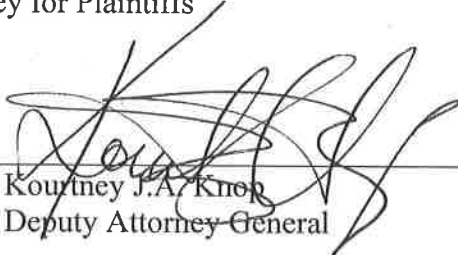
By: 
Lorraine K. Rak
Deputy Attorney General
Chief, Consumer Fraud Prosecution

Dated: February 21, 2013
Newark, New Jersey

RULE 4:5-1 CERTIFICATION

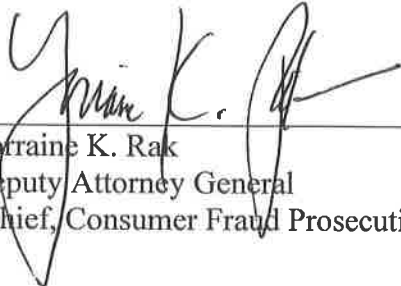
We certify, to the best of our information and belief, that the matter in controversy in this action involving the aforementioned violations of the CRIA, the Charities Regulations, the CFA and the Act is not the subject of any other action pending in any other court of this State. We are aware that private contract and other actions have been brought against John Sandberg, but we are not aware that such actions involve the violations of the CRIA, the Charities Regulations, the CFA and the Act asserted by Plaintiffs in this action. We further certify, to the best of our 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. We certify that there is no other party who should be joined in this action at this time.

JEFFREY S. CHIESA
ATTORNEY GENERAL OF NEW JERSEY
Attorney for Plaintiffs

By: 
Kourney J. A. Knox
Deputy Attorney General

Dated: February 21, 2013
Newark, New Jersey

JEFFREY S. CHIESA
ATTORNEY GENERAL OF NEW JERSEY
Attorney for Plaintiffs

By: 
Lorraine K. Rak
Deputy Attorney General
Chief, Consumer Fraud Prosecution

Dated: February 21, 2013
Newark, New Jersey

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

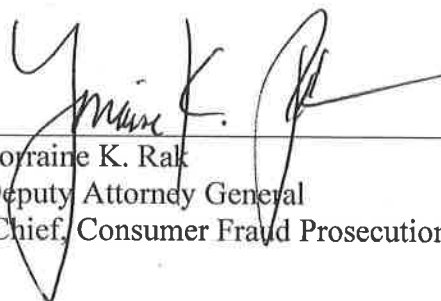
We certify that confidential personal identifiers have been redacted from documents now submitted to the court, and will be redacted from all documents submitted in the future in accordance with Rule 1:38-7(b).

JEFFREY S. CHIESA
ATTORNEY GENERAL OF NEW JERSEY
Attorney for Plaintiffs

By: 
Kourtney J.A. Knop
Deputy Attorney General

Dated: February 21, 2013
Newark, New Jersey

JEFFREY S. CHIESA
ATTORNEY GENERAL OF NEW JERSEY
Attorney for Plaintiffs

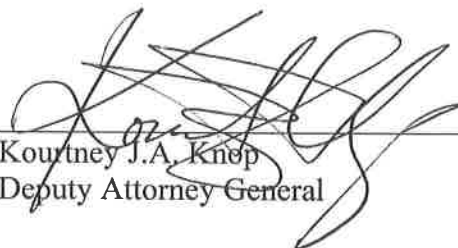
By: 
Lorraine K. Rak
Deputy Attorney General
Chief, Consumer Fraud Prosecution

Dated: February 21, 2013
Newark, New Jersey

DESIGNATION OF TRIAL COUNSEL

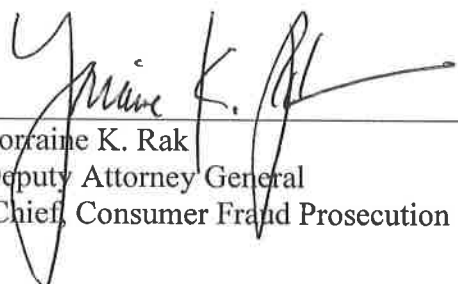
Pursuant to R. 4:25-4, Deputy Attorneys General Kourtney J.A. Knop and Lorraine K. Rak are hereby designated as trial counsel for the Plaintiffs in this action.

JEFFREY S. CHIESA
ATTORNEY GENERAL OF NEW JERSEY
Attorney for Plaintiffs

By: 
Kourtney J.A. Knop
Deputy Attorney General

Dated: February 21, 2013
Newark, New Jersey

JEFFREY S. CHIESA
ATTORNEY GENERAL OF NEW JERSEY
Attorney for Plaintiffs

By: 
Lorraine K. Rak
Deputy Attorney General
Chief, Consumer Fraud Prosecution

Dated: February 21, 2013
Newark, New Jersey

VERIFICATION

I, Laurie Goodman, of full age, hereby certifies as follows:

1. I am a Chief 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.

Laurie Goodman

LAURIE GOODMAN

Dated: February 21, 2013
Newark, New Jersey