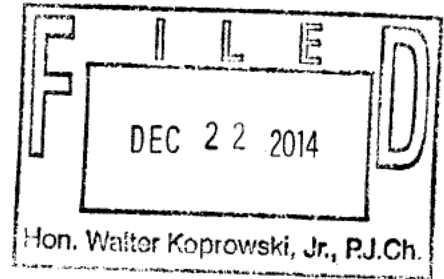


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SUPERIOR COURT OF NEW JERSEY
CHANCERY DIVISION,
ESSEX COUNTY
DOCKET NO. ESX-C-245-14

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

**ORDER TO SHOW CAUSE WITH
TEMPORARY RESTRAINTS
PURSUANT TO RULE 4:52**

THIS MATTER being brought before the Court by Natalie Serock, Deputy Attorney General, Consumer Fraud Prosecution Section, for plaintiffs 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 (collectively, "Plaintiffs"), seeking relief by way of temporary

restraints, pursuant to R. 4:52, based upon facts set forth in the Verified Complaint and supporting Certification and Brief filed herewith; and it appearing that immediate and irreparable damage will probably result before notice can be given and a hearing held and for good cause shown.

It is on this 22nd day of DECEMBER, 2014 **ORDERED** that defendant New Jersey Youth Club, Inc. ("NJYC" or "Defendant") appear and show cause before the Superior Court, Chancery Division, General Equity Part, Essex County, Newark, New Jersey at 9 o'clock in the FORE noon or as soon thereafter as counsel can be heard, on the 26th day of JANUARY, 2015, ~~2014~~, why an Order should not be issued preliminarily enjoining and restraining Defendant from:

- A. Engaging in, continuing to engage in, or doing any acts or practices in violation of the Charitable Registration and Investigations Act, N.J.S.A. 45:17A-18 et seq. ("CRIA"), the regulations promulgated thereunder, N.J.A.C. 13:48-1.1 et seq. ("Charities Regulations"), 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. 15:A-1.1 et seq. ("Act"), including, but not limited to, the acts and practices alleged in the Verified Complaint;
- B. Directly or indirectly acting as a charitable organization, or holding itself out as a charitable organization or as having a charitable purpose, from or within the State of New Jersey ("New Jersey");
- C. Seeking contributions through door-to-door solicitations and/or any other method of solicitation in New Jersey;
- D. Destroying, concealing, altering, transferring, disposing or removing in any manner, directly or indirectly, any books or records, information stored in computer-maintained form (such as electronic mail) and any other "document," as that term is defined in R. 4:18-1(a), in Defendant's possession, subject to its control or available to it, that directly or indirectly relate to NJYC including, but not limited to, the solicitation of contributions;
- E. Failing to make and/or keep any books or records, information stored in computer-maintained form (such as electronic mail) and any other "document," as

that term is defined in R. 4:18-1(a) that directly or indirectly relate to NJYC including, but not limited to, the solicitation of contributions; and

F. Granting such other relief as the Court deems equitable and just.

AND IT IS FURTHER ORDERED that on the return date herein, Defendant appear and show cause why an Order should not be issued:

- A. Freezing all assets of Defendant in which it holds a legal or equitable interest including, but not limited to, real property, securities, bonds, notes and monies held in any of its bank accounts, money market accounts, certificates of deposit or safe deposit boxes or held in petty cash, and preventing Defendant from removing, selling, encumbering, assigning, transferring or engaging in other acts of disposition of any such assets. Such assets include but are not limited to: (1) all accounts held by NJYC at Capital One Bank; and (2) all contributions made to NJYC;
- B. Preventing any third party receiving a copy of the Order, from removing, selling, encumbering, assigning, transferring or engaging in other acts of disposition of any assets subject to the asset freeze referenced in subpart A;
- C. Appointing a Receiver, at the Defendant's expense, in accordance with 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, 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 to any person, whether or not named in the Verified Complaint, any funds or property acquired or retained as a result of the unlawful acts of Defendant;
- D. Directing Defendant, or any third party receiving a copy of the Order, to arrange for the shutdown of NJYC's Internet Website, <http://www.njyc.org> ("NJYC Website"), within one (1) day of being served with the Order;
- E. Directing that within one (1) day of being served with the Order, Defendant posts the following notice on the NJYC Website: "THE NEW JERSEY YOUTH CLUB WEBSITE HAS BEEN SHUT DOWN PURSUANT TO AN ORDER OF THE SUPERIOR COURT IN THE ACTION TITLED HOFFMAN, ET AL. V. NEW JERSEY YOUTH CLUB, INC.";
- F. Continuing the temporary injunctive and ancillary relief already ordered by the Court; and
- G. Granting such other relief as the Court deems equitable and just.

AND IT IS FURTHER ORDERED that pending the return date herein, Defendant is temporarily enjoined and restrained from:

- A. 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., the CFA, N.J.S.A. 56:8-1 et seq., and the Act, N.J.S.A. 15:A-1.1 et seq., including, but not limited to, the acts and practices alleged in the Verified Complaint;
- B. Directly or indirectly acting as a charitable organization, or holding itself out as charitable organization or as having a charitable purpose, from or within New Jersey;
- C. Seeking contributions through door-to-door solicitations and/or any other method of solicitation in New Jersey;
- D. Destroying, concealing, altering, transferring, disposing or removing any manner, directly or indirectly, any books or records, information stored in computer-maintained form (such as electronic mail) and any other "document," as that term is defined in R. 4:18-1(a), in Defendant's possession, subject to its control or available to it, that directly or indirectly relate to NJYC including, but not limited to, the solicitation of donations;
- E. Failing to make and/or keep any books or records, information stored in computer-maintained form (such as electronic mail) and any other "document," as that term is defined in R. 4:18-1(a) that directly or indirectly relate to NJYC, including, but not limited to, the solicitation of donations; and
- ~~F. Granting such other relief as the Court deems equitable and just.~~

AND IT IS FURTHER ORDERED that pending the return date herein:

- A. A temporary freeze be placed on all assets of Defendant in which it holds a legal or equitable interest including, but not limited to, real property, securities, bonds, notes and monies held in any of its bank accounts, money market accounts, certificates of deposit or safe deposit boxes or held in petty cash, and preventing Defendant from removing, selling, encumbering, assigning, transferring or engaging in other acts of disposition of any such assets. Such assets include but are not limited to: (1) all accounts held by NJYC at Capital One Bank; and (2) all monetary donations made to NJYC;
- B. Any third party with written notice of this Order is prevented from removing, selling, encumbering, assigning, transferring or engaging in other acts of

disposition of any assets subject to the temporary freeze referenced in subpart A;
and

C. ~~The Court appoints _____ as the Temporary Receiver to serve, at the Defendant's expense, with complete access to the Defendant's offices, books and records, including records of contributions, as well as financial and asset information, for purposes of monitoring Defendant's operations and reporting back to the Court until the return date.~~

AND IT IS FURTHER ORDERED that:

1. The Defendant may move to dissolve or modify the temporary restraints herein contained on two (2) days' notice to the Plaintiffs' attorney.
2. A copy of this Order to Show Cause, Verified Complaint, Brief and supporting Certification submitted in support of this application shall be served upon the Defendant within 7 days of the date hereof, in accordance with R. 4:4-3 and R. 4:4-4, this being original process.
3. The Plaintiffs must file with the Court their proof of service of the pleadings on the Defendant no later than three (3) days before the return date.
4. Defendant shall file and serve a written response to this Order to Show Cause and the request for entry of injunctive relief and proof of service by JANUARY 15, ~~2014~~ 2015. The original documents must be filed with the Clerk of the Superior Court in the county listed above. A list of these offices is provided. You must send a copy of your opposition papers directly to Judge WALTER KOPROWSKI, JR., P.J.C. whose address is Superior Court of New Jersey, Chancery Division, General Equity Part, Essex County, 212 Washington Street, Newark, New Jersey 07102. You must also send a copy of your opposition papers to Plaintiffs' attorney whose name and address appears above. A telephone call will not protect your rights; you must file your opposition and pay the required fee of \$ 175 and serve your opposition on

your adversary, if you want the court to hear your opposition to the injunctive relief Plaintiffs are seeking.

5. Plaintiffs may file and serve any written reply to the Defendant's opposition to the Order to Show Cause by JANUARY 20, ~~2014~~²⁰¹⁵. The reply papers must be filed with the Clerk of the Superior Court in the county listed above and a copy of the reply papers must be sent directly to the Chambers of Judge KOPROWSKI.

6. If Defendant does not file and serve opposition to this Order to Show Cause, Plaintiffs' application will be decided on the papers on the return date and relief may be granted by default, provided that Plaintiffs file a proof of service and a proposed form of Order at least three (3) days prior to the return date.

7. If Plaintiffs have not already done so, a proposed form of Order addressing the relief sought on the return date (along with a self-addressed return envelope with return address and postage) must be submitted to the Court no later than three (3) days before the return date.


8. Defendant takes notice that the Plaintiffs have filed a lawsuit against you in the Superior Court of New Jersey. The Verified Complaint attached to this Order to Show Cause states the basis of the lawsuit. If you dispute this Verified Complaint, you, or your attorney, must file a written Answer to the Verified Complaint and proof of service within thirty-five (35) days from the date of service of this Order to Show Cause; not counting the day you received it.

These documents must be filed with the Clerk of the Superior Court in the county listed above. A list of these offices is provided. Include a \$ 175 filing fee payable to the "Treasurer State of New Jersey." You must also send a copy of your Answer to Plaintiffs' attorneys whose names and address appear above. A telephone call will not protect your rights; you must file and serve your Answer (with the fee) or judgment may be entered against you by

default. Please note: Opposition to the Order to Show Cause is not an Answer and you must file both. Please note further: if you do not file and serve an Answer within 35 days of this Order, the Court may enter a default against you for the relief Plaintiffs demand.

9. If you cannot afford an attorney, you may call the Legal Services office in the county in which you live or the Legal Services of New Jersey Statewide Hotline at 1-888-LSNJ-LAW (1-888-576-5529). If you do not have an attorney and are eligible for free legal assistance you may obtain a referral to an attorney by calling one of the Lawyer Referral Services. A directory with contact information for local Legal Services Offices and Lawyer Referral Services is available in the Civil Division Management Office in the county listed above and online at http://www.judiciary.state.nj.us/prose/10153_depty_clerklawref.pdf.

10. The Court will entertain argument, but not testimony, on the return date of the Order to Show Cause, unless the Court and parties are advised to the contrary no later than 2 day before the return date.


HON. WALTER Koprowski, Jr., J.S.Ch.