

STATE OF MINNESOTA  
COUNTY OF RAMSEY

DISTRICT COURT  
SECOND JUDICIAL DISTRICT

Case Type: Other Civil  
(Charitable/Nonprofit Violations)

Court File No. 02-CV-18-3554

In the Matter of Associated Community  
Services, Inc., Central Processing Services,  
LLC, Robert W. Burland, individually, and  
Richard T. Cole, individually

**ASSURANCE OF  
DISCONTINUANCE**

WHEREAS, this Assurance of Discontinuance (“Assurance”) is entered into pursuant to Minnesota Statutes sections 8.31, subdivision 2b, and 309.57, subdivision 2, between the State of Minnesota, through its Attorney General, Lori Swanson (“State” or “AGO”), Associated Community Services, Inc. (“ACS”), Central Processing Services, LLC (“CPS”), and, in their individual capacities, ACS and CPS joint owners Robert W. Burland and Richard T. Cole (collectively “Owners”);

WHEREAS, the AGO has authority to enforce Minnesota’s laws relating to charitable organizations under state statutes and common law, *see, e.g.*, Minn. Stat. §§ 8.31, 309.57;

WHEREAS, the AGO, ACS, CPS, and Owners entered into a Consent Judgment and Order (“Consent Judgment”), which was entered by the Court on December 7, 2016;

WHEREAS, the AGO sent ACS a letter dated October 17, 2017, describing certain concerns the AGO had relating to its compliance with the Consent Judgment;

WHEREAS, the AGO, ACS, CPS, and Owners desire to fully resolve the AGO’s concerns as expressed in the AGO’s October 17, 2017, letter; and

NOW THEREFORE, the AGO, ACS, CPS, and Owners hereby agree to entry of an Assurance with the following terms and conditions:

**STIPULATED RELIEF**

1. ACS, CPS, and Owners shall not hereinafter, whether directly, indirectly, individually, representatively, or in conjunction with or through any other person or entity, engage in any of the following conduct in Minnesota until after June 28, 2019:

- (a) acting as a professional fundraiser;
- (b) soliciting contributions for or on behalf of any charitable organization or in connection with the use of the name of any charitable organization;
- (c) forming, participating in forming, owning in whole or in part, purchasing shares or an interest in, acting as an officer or director of, managing, or overseeing any entity that engages in any conduct of the type referenced in Paragraphs 1(a) and 1(b);
- (d) being employed by, assisting, advising, contracting with, or consulting with or for any person or entity that engages in any conduct of the type referenced in Paragraphs 1(a) and 1(b); and
- (e) accepting any contribution, payment, gifts-in-kind, or anything else of value as part of, or that results from, engaging in any conduct of the type referenced in Paragraphs 1(a) and 1(b).

For the purposes of this Order, "charitable organization," "contribution," "person," "professional fundraiser," "solicit," and "solicitation" have the meanings given these terms by Minnesota Statutes section 309.50.

2. ACS, CPS, and Owners shall not effect any change in ACS's, CPS's, or any other entity's form of doing business, organizational identity, organizational structure, affiliations, ownership, or management composition as a method of avoiding the terms of this Assurance. The Owners further shall not effect any change in their ownership stake in, or management authority over, any entity in which they have such ownership stake or management authority as a method of assisting the entity in avoiding the terms of this Assurance. The Owners further shall

not engage in any conduct prohibited by this Assurance through or in conjunction with a family member.

**STAYED RELIEF**

3. ACS is liable for a civil penalty of \$400,000.00 if the Court finds, after a motion by the AGO, and pursuant to a hearing as determined by the Court, that ACS violated any provision of this Assurance. The AGO shall provide notice to ACS of any alleged violation prior to seeking relief from the Court under this paragraph and offer a reasonable opportunity for ACS to respond to the AGO's allegations, which ACS shall do in a timely manner. The release provided for in Paragraph 6 of this Assurance does not prevent, restrict, or otherwise limit in any way the AGO from moving for and, should a violation be found, collecting the stayed civil penalty referenced in this paragraph.

4. ACS, CPS, and Owners shall be prohibited for an additional two years from engaging in any conduct of the type referenced in Paragraphs 1(a) and 1(b) of this Assurance if the Court finds, after a motion by the AGO, and pursuant to a hearing as determined by the Court, that any one of them violated any provision of Paragraph 1 of this Assurance. The AGO shall provide notice to ACS, CPS, and Owners of any alleged violation prior to seeking relief from the Court under this paragraph and offer a reasonable opportunity for ACS, CPS, and Owners to respond to the AGO's allegations, which they shall do in a timely manner. The release provided for in Paragraph 6 of this Assurance does not prevent, restrict, or otherwise limit in any way the AGO from moving for and, should a violation be found, imposing the further conduct relief called for by this paragraph. Any further conduct relief imposed against ACS, CPS, or Owners pursuant to this paragraph will begin to run on June 29, 2019.

**GENERAL TERMS**

5. This Assurance "shall not be considered an admission of a violation for any purpose." Minn. Stat. § 8.31.

6. In consideration of the stipulated relief, the sufficiency of which is acknowledged, the AGO, upon approval of this Assurance by the Court, hereby fully and completely releases ACS, CPS, and Owners from any and all claims and causes of action of the AGO arising out of any violations of the Consent Judgment occurring between December 8, 2016 and the date the Court approves this Assurance. The AGO through this Assurance does not settle, release, or resolve any claim against ACS, CPS, and Owners arising out of any violations of the Consent Judgment occurring after the date the Court approves this Assurance.

The AGO through this Assurance does not settle, release, or resolve any claim against ACS, CPS, and Owners, or any other person or entity involving any private causes of action, claims, and remedies, including but not limited to private causes of action, claims, or remedies provided for under Minnesota Statutes section 8.31. This release does not apply in any way to claims of any other State of Minnesota agency, department, official, or division, including but not limited to the Minnesota Department of Revenue.

7. The claims, remedies, and relief provided for in this Assurance are in addition to all other claims, remedies, and relief available to the State of Minnesota or the AGO, including that the remedies set forth in this Assurance are in addition to all those provided by the Consent Judgment. Nothing in this Assurance shall be construed to amend, limit, or supersede the Consent Judgment, which remains in full force and effect, including but not limited to the requirements set forth in Paragraph 2 of the Consent Judgment.

8. ACS, CPS, and Owners understand that, after the date of the approval of this Assurance by the Court, a violation of this Assurance may, in addition to the stayed relief set

forth in this Assurance and the Consent Judgment, subject them to sanctions for contempt pursuant to Minnesota Statutes section 8.31, and the AGO may thereafter, in its sole discretion, initiate legal proceedings against ACS, CPS, and Owners for any and all violations of this Assurance.

9. ACS, CPS, and Owners, after having an opportunity to consult with counsel, knowingly, intelligently, and voluntarily waive their First Amendment rights to the extent, if at all, such rights are inconsistent with any of the terms of this Assurance.

10. ACS, CPS, and Owners shall not state or imply, directly or indirectly, that the State of Minnesota or the AGO have approved of, condone, or agree with any alleged conduct, actions, or inactions by ACS, CPS, or Owners.

11. Nothing in this Assurance shall relieve ACS, CPS, or Owners of their obligations to comply with all applicable Minnesota and federal laws and regulations, and court or administrative orders and directives.

12. The person signing this Assurance for ACS and CPS represents that he or she is authorized to execute this Assurance, that ACS and CPS have been fully advised by their counsel before entering into the Assurance, and that he or she executes this Assurance in an official capacity that binds ACS and CPS and their successors.

13. This Assurance may be executed in counterparts, each of which constitutes an original, and all of which shall constitute one and the same agreement. This Assurance may be executed by facsimile or electronic copy in any image format.

14. This Assurance constitutes the full and complete terms of the agreement entered into by the AGO, ACS, CPS, and Owners.

15. Service of notices or other documents required or permitted by this Assurance shall be served on the following persons, or any person subsequently designated by the parties to receive such notices, by mail and email at the addresses identified below:

As to the AGO:

Carol R. Washington, Assistant Attorney General  
Minnesota Attorney General's Office  
445 Minnesota Street, Suite 1200  
St. Paul, Minnesota 55101  
carol.washington@ag.state.mn.us

As to ACS, CPS, and Owners:

Attn: Dick Cole  
23800 West 10 Mile Road, Suite 200  
Southfield, MI 48033

With a copy to:  
Helen Mac Murray, Esq.  
Mac Murray & Shuster, LLP  
6530 West Campus Oval, Suite 210  
New Albany, OH 43054  
hmacmurray@msslawgroup.com

16. The failure of a party to exercise any rights under this Assurance shall not be deemed to be a waiver of any right or any future rights.

17. This Assurance, including any issues relating to interpretation or enforcement, shall be governed by the laws of the State of Minnesota.

18. Nothing in this Assurance shall be construed to limit the jurisdiction, power, or authority of the State of Minnesota or the AGO, except as expressly set forth herein in regard to ACS, CPS, and Owners.

19. Each of the parties participated in the drafting of this Assurance and agree that the Assurance's terms may not be construed against or in favor of any of the parties by virtue of draftsmanship.


20. Each party shall perform such further acts and execute and deliver such further documents as may reasonably be necessary to carry out this Assurance.

21. The AGO may file this Assurance with the Court without further notice to ACS, CPS, or Owners, and the Court may approve of and enter this Assurance *ex parte* and without further proceedings.

22. The Court shall retain jurisdiction of this matter for purposes of enforcing this Assurance.

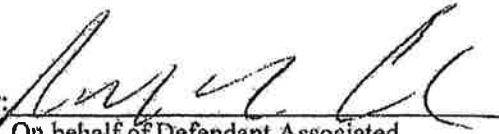
Dated: 5/18/18

LORI SWANSON  
Attorney General  
State of Minnesota

By:   
Carol Washington  
Assistant Attorney General

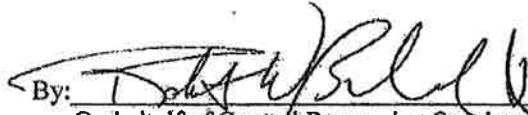
Dated: 5/18/18

ASSOCIATED COMMUNITY SERVICES,  
INC.

By:   
On behalf of Defendant Associated  
Community Services, Inc.


Dated: 5/18/18

CENTRAL PROCESSING SERVICES, LLC

By:   
On behalf of Central Processing Services, LLC

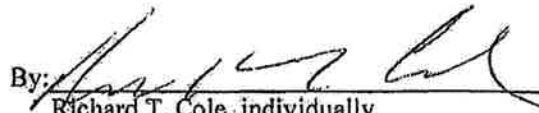
Dated: 5/18/18

ROBERT W. BURLAND

By:   
Robert W. Burland, individually

Dated: 5/18/18

RICHARD T. COLE


By:   
Richard T. Cole, individually



**ORDER**

Having reviewed the terms of the foregoing Assurance of Discontinuance, which is incorporated herein by reference, and which the Court finds reasonable and appropriate, it is SO ORDERED.

Dated: 5-23-18

  
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Judge of District Court

**LET JUDGMENT BE ENTERED ACCORDINGLY.**

