

STATE OF MICHIGAN  
DEPARTMENT OF ATTORNEY GENERAL  
CORPORATE OVERSIGHT DIVISION

In the Matter of:

Attorney General  
File No. 2017-0180815-A

Healing American Heroes, Inc. and  
Rosalinda Babin

Respondents.

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**Notice of Intended Action and Cease and Desist Order**

To: Healing American Heroes, Inc.

Jeremy Squires & Associates, Ltd.

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Bill Schuette, Attorney General of the State of Michigan, under Section 20(4) of the Charitable Organizations and Solicitations Act, MCL 400.271 *et seq.*, notifies Healing American Heroes of his intention to bring a civil action against Healing American Heroes in Ingham County Circuit Court and orders Healing American Heroes to cease and desist all unlawful solicitations as described below. Before bringing a civil action, the Attorney General will consider accepting an assurance of

discontinuance or other appropriate settlement agreement. Concurrent with this Notice of Intended Action, the Attorney General is also issuing a revised Notice of Intent to Deny renewal of Healing American Heroes' charitable solicitation registration.

## I. Jurisdictional Allegations

1. Respondent Healing American Heroes, Inc. ("Healing American Heroes" or "HAH") is a Texas nonprofit corporation with 501(c)(3) tax-exemption status. Its address is 402 W. Palm Valley Blvd., Suite A, Round Rock, TX 78664-4200. Its President is Rosalinda Babin. Its Michigan-based resident agent is CSC-Lawyers Incorporating Service Company, 601 Abbot Road, East Lansing, MI 48823.
2. Healing American Heroes incorporated in December 2009. Since 2010, Healing American Heroes has been registered to solicit in Michigan under Michigan's Charitable Organizations and Solicitations Act ("Solicitations Act"). Healing American Heroes is registered under the Solicitations Act as #44560.
3. As a registered charitable organization soliciting in Michigan, Healing American Heroes is a person subject to the authority of the Attorney General under the Solicitations Act. MCL 400.271 *et seq.*; MCL 400.272(a) and (e).
4. Respondent Rosalinda Babin is a director of Healing American Heroes, its President, and was listed in HAH's most recent registration form as the person responsible for the organization's funds and fundraising. **Exhibit A**,

HAH August 2016 Registration Form and 2015 Form 990. Section 20(1) of the Solicitations Act, MCL 400.290(1), allows the Attorney General to seek relief against an officer or director of a registered charity or against “any other person that directly engaged in, authorized, or was legally responsible for the prohibited act or practice; or against any combination of those persons.”

5. Respondent Jeremy Squire & Associates, Ltd. has, since 2006, been licensed with the Attorney General as a professional fundraiser under Michigan’s Charitable Organizations and Solicitations Act. Jeremy Squire & Associates is licensed as #14015.
6. As a licensed professional fundraiser soliciting in Michigan, Jeremy Squire & Associates is a person subject to the authority of the Attorney General under the Solicitations Act. MCL 400.271 *et seq.*; MCL 400.272(e).

## **II. Background Facts**

7. In August 2016, the Attorney General’s Charitable Trust Section received Healing American Heroes’ renewal registration form, including HAH’s 2015 IRS Form 990 and audited financial statements. **Exhibit A.**
8. The Form 990 reports that HAH received \$3,362,784 in contributions. **Exhibit A**, Form 990, p. 1. The 990 also reported that HAH had \$2,378,720 in total program service expenses, including \$2,029,650 for “public education & awareness” and providing “resource and support service information” to military family members and caregivers, and \$349,070 to “provide financial

assistance to ease the burdens” resulting from providing care to wounded servicemembers. **Exhibit A**. Form 990, p. 2.

9. **Improper Joint Cost Allocations Overstate HAH’s Charitable**

**Programs.** Of the \$2,378,720 in total program service expenses, \$2,018,920—85% of total program service expenses—were reported as joint costs allocated to program services. **Exhibit A**, Form 990, p. 10. Charitable Trust Auditor Joe Kylman reviewed HAH’s joint cost allocation and—after corresponding with HAH regarding its allocations (**Exhibit B**)—concluded that most of HAH’s \$2,765,643 in joint costs should have been allocated to fundraising, with only 5.6% of joint costs properly allocable to program expenses. The effect of this improper joint cost allocation was to overstate HAH’s charitable programs by 6 to 7 times. **Exhibit C**, May 18, 2017 Notice of Intent to Deny.

10. **Notice of Intent to Deny.** Accordingly, on May 18, 2017, the Charitable Trust Section issued a Notice of Intent to Deny HAH’s registration for three reasons: (1) submitting financial statements which are not in accord with generally accepted accounting principles (GAAP), (2) submitting financial statements which materially misrepresent its charitable activities, and (3) submitting documents that contain a materially false statement. **Exhibit C**, Notice of Intent to Deny.

11. **Investigative Order.** Concurrent with the Notice of Intent to Deny, the Attorney General issued an Investigative Order to HAH requiring additional

responses and documents regarding its charitable programs and its charitable solicitations. **Exhibit D**, May 18, 2017 Investigative Order.

12. HAH responded to the investigative order on June 22, 2017. **Exhibit E**, HAH response cover letter and narrative response to Investigative Order. HAH's response included all forty (40) direct mail solicitation packages HAH had mailed to donors in Michigan throughout 2015, 2016, and 2017. **Exhibit F**, 2015 solicitation packages.

### **Deceptive Phone Card Solicitations**

13. Of the forty (40) solicitation packages HAH used in 2015, 2016, and 2017, twenty-seven (27) asked those solicited to donate to Help our Wounded, HAH's dba, so that Help Our Wounded could distribute phone cards to servicemembers, particularly those deployed servicemembers that had been seriously wounded. Each mailing also included between one and three phone cards and asked donors to "sponsor" or "activate" these cards by returning the phone card (or cards) with a donation. What follows are representations HAH made in its phone card solicitation package labeled HS1501. **Exhibit F.1.** (Because nearly every sentence of the four-page letter touts HAH's phone card program, most of the letter is reproduced below.) Solicitation package HS1501 included an envelope touting the phone card program, a letter describing the program, three phone cards, a reply form, and a return envelope.

- a. From the envelope: “THREE International Phone Cards Enclosed . . .”  
and “I Can’t Keep up With Requests for Emergency Phone Cards from  
Soldiers Posted Overseas and wounded GI’s in VA hospitals. Can YOU  
Help?”
- b. From the letter:

## **Help Our Wounded**

Serving seriously wounded military personnel and their caregivers

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### **Emergency Phone Card Program Sponsors Urgently Needed . . .**

Dear American,

Will you do something today to help our troops?

**Please will you sponsor, one two, or even three  
Emergency Phone Cards like the ones I’ve enclosed in this  
letter? The cards you sponsor will each allow a soldier to call  
home FREE in an emergency.**

I can hardly keep up with the requests I get for these cards –  
EVERY one of the 50,000 soldiers STILL stationed in Afghanistan and  
the Middle East wants one – and I believe they deserve them . . .

Just as important are the seriously wounded young soldiers in  
our VA hospitals – where a phone call to a parent, child, friend, pastor  
or spouse costs money they may not have . . .

Imagine you’ve been wounded and are in a hospital far away  
from your family and friends. Imagine you’ve just awakened to realize  
your life has changed forever. Wouldn’t you want to talk to your Mom  
and Dad? To your wife or husband? Then imagine the despair at not  
being able to, because you can’t afford the call on soldier’s pay.  
Wouldn’t it be wonderful if you had free phone time so you could hear  
their words of comfort?

Military Chaplains, platoon leaders, soldiers and their families  
tell me phone cards are a tremendous morale booster and that they  
cannot get enough of them.

And, in an emergency, they are not just a morale booster but a true blessing. Our goal is to make sure every active duty soldier in Afghanistan and the Middle East is provided with an Emergency Phone Card.

In fact, these cards are so urgently needed and frequently requested we can't keep up with the demand!

**When my son, (in the picture above right), was so severely wounded he was expected to die, his sister, my husband and I were able to talk to him thanks to the generosity of caring people like you.**

You see, once a soldier's allowance of phone time is used up, he must pay sky-high international phone charges from his own pocket. And, if he is as seriously wounded as my son was, about the only way his family will be able to talk to him is if someone in the hospital donates THEIR time and makes the call for him or her.

**I Know First Hand: Prayer and Phone Cards Help Heal our Wounded Warriors . . .**

\*\*\* [Letter continues with story of Rosie Babin's injured son and difficulty he had in communicating with his family.]

Today, part of my mission is to make sure every wounded soldier can talk to his loved ones – and every mother or father can talk to a wounded son or daughter in an emergency, or make a special birthday or Christmas call to their children.

\*\*\* [Letter discusses some of HAH's other programs.]

In the last couple of years, using the skills I acquired as I navigated the system and dealt with Alan's recover (which includes Traumatic Brain Injury, paralysis, loss of vision and more) I've been able to help over 300 families who are caring for a severely wounded warrior, and have obtained grants and assistance for them totaling over \$500,000 – at no cost to them ***and with every cent that was donated going directly to them.*** [Emphasis added]

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**Through a network of military chaplains stationed at home and overseas, medics, nurses, physicians and base commanders, Help Our Wounded is issuing Emergency Phone**

**Cards like the ones I've enclosed with this letter so our young men and women can use the phone if they are wounded.**

Sponsored cards are not for "everyday use" – the card you sponsor is for true emergencies or those once a year occasions:

**When a soldier is wounded . . .**

**When he or she has a family crisis back home such as a death in their family and the stress of not knowing what is going on is eating at them . . .**

**When a buddy is killed or wounded and a call from a friend would help the family . . .**

**A child's birthday or a special holiday call . . .**

Perhaps you have a grandchild, nephew, niece, son or daughter in Afghanistan, or elsewhere in the Middle East.

Or, perhaps you know someone who has a son or daughter or spouse swerving our country in the Middle East.

**Here is your chance to sponsor one, two, or even three Emergency Phone Cards for as little as \$10 and show our young warriors they are in your thoughts.**

Remember, international calls are expensive and, sometimes, even beyond the means of young soldiers and their families. Once the phone call allowance they receive from the military is used up, they pay for phone calls from their own pockets.

**These young men and women are making great sacrifices as they fight for our safety and freedom in Afghanistan and the Middle East. They DESERVE to be able to call home free in an emergency.**

Will you make a donation of \$20, \$10, \$10 – or even more – and help us meet our goal of making sure every deployed soldier has an Emergency Phone Card in his or her pocket?

Simply return on or all of the cards I've enclosed with your donation and we will do the rest.

Your cards will be shipped to bases in Afghanistan or elsewhere in the Middle East and distributed directly to troops by military

chaplains and other military personnel who tell us “keep those cards coming”!

Serving our troops and their Caregivers,

Rosie Babin

U.S. Army veteran and proud mother of a wounded warrior

**P.S. Every soldier who is fighting the War on Terror deserves the Emergency Phone Cards we supply in case they are in a similar situation – and I’m hoping you will sponsor one or more of these unique cards.**

This is my young hero [picture to right in wheelchair being hugged by mother], Alan, several years after he was wounded. Help me support other wounded warriors and their families starting the day they are wounded.

I’ve seen first hand how much a phone call can mean in an emergency. Your gift will help us supply Emergency Phone Cards like the ones enclosed with this letter. Will you return one, or all of the Emergency Phone Cards I’ve enclosed along with a contribution of \$20, \$20, \$15 – even \$35 or more – today.

c. From the reply form: “Card Sponsors Urgently Needed” and “[Title Last Name], Please sponsor an Emergency Phone Card today . . .”

d. From the reply form:

“[Title Last Name], when a soldier is wounded in Afghanistan or Iraq – or if he is being treated at a VA hospital – he deserves to be able to call home without having to worry about the cost. Calls from a bed in a VA hospital or from overseas cost money that young soldiers often don’t have! With your support, HOW can continue to help these heroes with free phone time – and with specialized equipment, mobility equipment, therapeutic items the VA does not cover, and much more.

Here is my contribution to help this urgently needed and effective morale-boosting program:

\$10  \$15  \$20  \$25  \$30  \$50  Other \$\_\_\_\_\_

e. From the back of the reply form:

Our Promise: We are the families, doctors, nurses, medics and chaplains who care for and support the young men and women who have been seriously wounded in Iraq, Afghanistan and elsewhere. Our mission is to make sure these young heroes recover and receive the best possible care from the time they are wounded and as long as they need it.

You have our guarantee that your contribution will be used wisely and that we will make every effort to maximize the benefit of every contribution we receive. If at any time you feel we are not living up to this promise you may request a refund of your most recent contribution which we will promptly return to you.

Rosie Babin, Founder  
U.S. Army Veteran and proud mother of a severely Wounded Warrior.

- f. From the back of the reply form: “Help our Wounded retains 100% of the funds contributed.”
  - g. From the front of the phone card: “For Use by Military and DoD Personnel, Medical Staff and Family Members Only. Not for Resale. Emergency Phone Card.”
  - h. From the back of the phone card: “The Soldier’s Prayer: *Lord, grant me the strength and courage to serve my country and fellow soldiers and watch over and provide for my loved ones at home.* This phone card donated by a caring American. Caregivers and U.S. Military first responders may obtain additional cards by contacting HelpOurWounded.org.”
  - i. From the return envelope: the word “RUSH” in large, capitalized type.
14. In 2015, HAH mailed the HS1501 solicitation package 483,864 times nationwide, including 17,119 mailings in Michigan alone. HAH also mailed

over a million substantially similar or identical solicitation packages labeled HS1504, HS1508, and HS1513. **Exhibits F.4, F.7. and F.9.** HAH also used two other variations of phone card solicitation campaigns in 2015: these packages featured different letters and inserts with one variation sending both a phone card and check for \$2 or \$10 representing money needed to buy phone cards (see **Exhibit F.2,** HS1502, **Exhibit F.5,** HS1506, and **Exhibit F.8,** HS1509), and the other variation sending both a phone card and a prayer card (see **Exhibit F.3,** HS1503, and **Exhibit F.6,** HS1507).

**15. 2015 Phone Card Solicitations.** The below table shows the results of HAH’s ten phone card solicitation campaigns in 2015. **Exhibit E,** Response #14; table compiled from Response #14.

Phone cards	Mailings	MI mailings	Donations	MI donations	Money raised	MI money raised
HS1501	483,864	17,119	16,304	573	\$317,226	\$12,534
HS1502	635,423	19,935	25,431	851	\$305,514	\$10,016
HS1503	381,156	11,973	11,268	260	\$186,959	\$9,023
HS1504	537,638	18,522	14,684	536	\$288,108	\$10,431
HS1506	656,324	20,669	26,069	842	\$329,481	\$10,716
HS1507	370,941	12,183	12,835	386	\$204,349	\$7,205
HS1508	365,629	13,330	11,498	426	\$238,728	\$8,643
HS1509	499,740	17,126	17,406	634	\$249,564	\$9,445
HS1513	435,184	14,758	13,089	491	\$284,250	\$11,112
HS1514	560,856	19,207	19,007	590	\$265,533	\$8,446
<b>Total</b>	<b>4,926,755</b>	<b>164,822</b>	<b>167,591</b>	<b>5,589</b>	<b>\$2,669,710</b>	<b>\$97,572</b>

In 2015, HAH raised \$2,669,710 nationwide using its ten phone card solicitation packages. *But of the \$2,669,710 in funds raised, HAH spent just \$5,030—0.19%—on purchasing 1,000 phone cards.* Exhibit E,

Investigative Order Response, p. 6, #'s 8, 10, 12. And with HAH mailing between one and three sample phone cards per solicitation package, we've calculated (see below table) that in 2015 HAH itself mailed 8,571,385 phone cards requesting that donors mail these cards—and money—back to “activate” the cards. Considering that HAH’s 2015 phone card campaigns generated 167,591 donations, we’ve also calculated (see below table) that HAH received as many as 278,741 cards back in the mail requesting activation.

***Nevertheless, HAH spent just \$5,030 of the \$2,669,710 in funds raised from phone card solicitations and purchased just 1,000 cards.*** And despite the “RUSH” placed on the return envelope, and HAH’s repeated requests to help wounded soldiers “today,” and the hundreds of thousands of donations and returned phone cards from donors, ***HAH did not distribute a single phone card in 2015. Exhibit E, Response #8.***

Phone cards	Mailings	Donations	Phone cards per package	Total phone cards mailed	Returned phone cards
HS1501	483,864	16,304	3	1,451,592	48912
HS1502	635,423	25,431	1	635,423	25431
HS1503	381,156	11,268	1	381,156	11268
HS1504	537,638	14,684	3	1,612,914	44052
HS1506	656,324	26,069	1	656,324	26069
HS1507	370,941	12,835	1	370,941	12835
HS1508	365,629	11,498	3	1,096,887	34494
HS1509	499,740	17,406	1	499,740	17406
HS1513	435,184	13,089	3	1,305,552	39267
HS1514	560,856	19,007	1	560,856	19007
<b>Total</b>	<b>4,926,755</b>	<b>167,591</b>		<b>8,571,385</b>	<b>278,741</b>

Moreover, HAH concealed from the public the minimal amounts spent on the phone card program by not reporting the program on its IRS Form 990—this, even though 79% (\$2,669,710 of \$3,362,784) of all funds HAH raised in 2015 were for the phone card program.

**16. 2016 Phone Card Solicitations.** Thirteen (13) of the nineteen (19) solicitation packages HAH mailed in 2016 were for phone card solicitations and included similar or identical materials to those used in 2015. For a sample of HAH’s 2016 solicitation packages, see **Exhibit G**, HS1601. While the Department does not have HAH’s figures for each campaign, HAH has reported that it raised \$2,963,832 nationally in 2016. **Exhibit E**, HAH Response #25. Given that 79% of HAH’s total funds raised in 2015 were from phone card solicitations, we estimate that HAH raised more than \$2 million (and perhaps as much as \$2.5 million) of its 2016 funds using phone card solicitations, that it likely mailed these packages 5 million or more times, that it again mailed between 5 and 8 million phone cards requesting “sponsorship” or “activation,” and that it again received hundreds of thousands of cards and donations back from donors seeking to activate the cards. Yet again in 2016, HAH spent just \$5,058 for 1,000 phone cards; and HAH distributed just 1,400 phone cards (presumably distributing some of the cards it purchased in 2015, since it distributed zero cards that year). **Exhibit E**, HAH Response #'s 8, 10, and 12.

## Deceptive Gift Card Solicitations

17. **2015 Gift Card Solicitations.** Of the fifteen (15) solicitation packages HAH used in 2015, two (2) asked for donations so HAH could buy gift cards for wounded servicemembers. **Exhibit H.1., HS5110, and Exhibit H.2., HS1512.** Just like the phone card solicitations, the gift card solicitations included gift cards within the mailings and asked donors to return the gift card with a donation so that HAH could distribute the gift cards to servicemembers. HAH sent 104,752 gift card mailings—which each included a gift card—and raised \$66,832 nationwide from 4,627 donations. See table below, compiled from **Exhibit E, HAH Response #14.** But from the 4,627 donations received and the \$66,832 raised, ***HAH spent just \$2,583—4% of funds raised—and only distributed 33 gift cards in 2015.*** **Exhibit E, HAH Response, #'s 16, 18, 20.**

Gift Cards	Mailings	MI mailings	Donations	MI donations	Money raised	MI money raised
HS1510	64,868	2,116	2,561	90	\$39,441	\$1,577
HP1512	39,884	1,380	2,066	69	\$27,391	\$875
<b>Total</b>	<b>104,752</b>	<b>3,496</b>	<b>4,627</b>	<b>159</b>	<b>\$66,832</b>	<b>\$2,452</b>

Again, HAH did not disclose the gift card program on its IRS form 990, thereby concealing from the public.

18. **2016 Gift Card Solicitations.** Three (3) of the nineteen (19) solicitation packages HAH mailed in 2016 were for gift card solicitations. These gift card solicitations were similar or identical to those used in 2015. While the Department does not have HAH's figures for each campaign in 2016, based

on the 2015 figures we have, we estimate that HAH raised between \$60k and \$100k through gift card solicitations in 2016. These mailings likely included 100,000 or more gift cards mailed to donors requesting that they return the card and a donation to help severely wounded soldiers, with thousands of gift cards and donations returned by donors. Yet in 2016, HAH purchased just 148 gift cards, spending just 8,712.12 on the program.

**19. Solicitation Packages Falsely Claim 100% Retained by HAH.** All

HAH's solicitation packages—whether for phone cards, or gift cards, or other programs—include a reply form that states on the back of the form: “Help our Wounded retains 100% of the funds contributed.” (Help our Wounded is a “doing business as” for Healing American Heroes.) This statement is false, deceptive, and misleading. *Every single mailing HAH made nationwide during 2015, 2016, and 2017 included this false, deceptive, and misleading statement.* Once all HAH's fundraising costs are properly tallied, roughly 80% of the funds raised are used to pay the expenses of HAH's direct mail fundraising program. In numerous places, HAH's own 2015 Form 990 contradicts its claim that it retains “100% of the funds contributed.”

- a. Page 8 of the Form 990 lists HAH's four independent contractors involved in HAH's direct mail program that each receive more than \$100,000 in compensation; the total compensation of these four

contractors as reported here on the 2015 Form 990 is \$1,573,933.

**Exhibit A**, 2015 Form 990, p. 8.

- b. Schedule G of the 2015 Form 990 reports \$456,090 as the “amount paid to (or retained by)” direct mail fundraiser Squire & Associates.

**Exhibit A**, 2015 Form 990, Sch. G.

- c. HAH’s contract with Jeremy Squire & Associates requires that all funds received from the direct mail fundraising must be deposited in an escrow account and that HAH may not divert funds from this escrow account as these funds are to be used to pay Jeremy Squire & Associates fees and other costs of the mailings. **Exhibit I**, Jeremy Squire & Associates Contract, Para. 5.

**20. Diversion of Funds to other Programs.** Rather than using the funds raised for HAH’s phone card program, as represented repeatedly to donors, HAH diverted the funds to its other programs. Schedule I of HAH’s 2015 Form 990 reports two such programs: (1) financial aid to active duty soldiers - \$207,535, and (2) rehab event attendance and support - \$112,577. The precise purpose of these programs—and the relative merit of these programs (some of which are questionable such as \$46k spent on galas, golf tournaments, and other “sponsorship” events in 2015)—is irrelevant. Rather, the material fact is that, in 2015, HAH raised \$2.7 million for its phone card program but only spent \$5,030 on phone cards, diverting funds raised to other programs—programs donors did not intend to support.

21. **Other Deceptions.** HAH's solicitation packages include other deceptions.

Solicitation Package "HS1701," a phone card solicitation package, includes the below note on the back of its reply form. **Exhibit J**, HS1701 reply form front and back. Other solicitation packages include identical notes; *all solicitation packages* include similar notes touting HAH's efficiency.

### **A Special Note on Your Trust and Your Gift:**

We are a small, *efficient and extremely effective organization* and have helped over 730 military families (all of whom are caring for a wounded soldier) since we were founded. We always talk personally with the soldiers we help (or their spouse) and can, therefore, carefully tailor the amount and type of assistance to their needs. *We also carefully husband every dollar we receive from supporters and try to obtain the maximum benefit for those we serve. Because we rely on volunteers*, the total compensation paid to employees is less than \$700 per week. If we must travel on Help Our Wounded business, we do so in economy class. The organization operates from donated office space, and fundraising events, such as our annual gala in Austin, are underwritten by a group of donors who have taken them on as their mission. Our board and volunteers include our founder, who is the mother of a severely wounded soldier and is herself a former soldier, two combat nurses, a medic, and others who have been personally touched by the war in Iraq and Afghanistan. *Staff wages, rent, office supplies, travel, and staff meetings amount to less than 2 cents of every dollar raised.* We will not betray the trust you place in us when you donate, and will promptly refund any donation on request.

The above note is deceptive and misleading because it implies that nearly all the donor's gift will be used for HAH's charitable purposes, which in this instance is its phone card program for deployed servicemembers. But the truth is very nearly the opposite. The note achieves this deception by omitting two material facts: (1) that most of the funds HAH raises will be used to pay its professional—not volunteer—fundraisers and its direct mailing costs and (2) that HAH only spends 0.1 to 0.2% of funds raised on phone cards.

22. **Jeremy Squire & Associates.** In August 2011, HAH retained professional fundraiser Jeremy Squire & Associates to manage all its direct mail fundraising campaigns.

a. According to its contract with HAH, which runs through December 2020, HAH retained Jeremy Squire & Associates “to provide counsel and advice to [HAH] in the conduct of a series of campaigns to educate interested individuals with a call to action that will help [HAH] reach its mission goals and, at the same time, when appropriate, request support. **Exhibit I**, Jeremy Squire & Associates Contract, p. 1, para. 1.

b. Paragraph 2 of the contract states repeatedly that Jeremy Squire & Associates will assist HAH in developing and expanding its charitable programs:

[Squire & Associates] agrees to provide advice and counsel and to make recommendations in connection *with the preparation of the components of [HAH’s] programs, as well as the creation of new ones*, and to create public awareness and calls to action, which advice and counsel may include, upon authorization hereby granted, the following services to support [HAH] in *expanding its programs* and meeting its mission, public education, and volunteer recruitment purposes *as a public charitable organization and [HAH’s] other program objective*. [**Exhibit I**, contract, (emphasis added)]

c. Paragraph 2 of the contract continues and explains Squire & Associates direct role in creating and producing HAH’s direct mail campaigns, as well as recommending campaign methods:

Creative and production support. [Squire] shall, on behalf of [HAH], cause to be created, produced, and/or mailed certain direct mail solicitation packages as directed and approved by [HAH]. [Squire]

shall recommend to [HAH] marketing methods, mail dates, copy, type or format of mailings, and quantities to be mailed. [Squire] shall take no action under this paragraph without the prior approval of [HAH]. [**Exhibit I**, contract]

- d. Under the above terms of the contract, Squire & Associates was intimately involved in managing HAH's solicitation campaigns and was directly responsible for the purchase and mailing of millions of phone cards and gift cards in support of HAH's phone card and gift campaigns—campaigns Squire & Associates helped to develop. Moreover, Squire & Associates was aware of precisely how few actual cards were being purchased for servicemembers—and how little was spent on these cards—as Squire & Associates purchased the 1,000 phone cards for HAH in both 2015 and 2016. **Exhibit K**, HAH Response Inv. Order #2a, see Dec. 15, 2015 Invoice #10259; **Exhibit L**, HAH Response Inv. Order #4b – att. 4, see Dec. 31, 2016 Invoice #10389.

### **III. Law**

23. Section 18 of the Charitable Organizations and Solicitations Act (Solicitations Act) prohibits persons from engaging in a variety of acts. MCL 400.288. These prohibited acts include:

- (i) Represent or imply that the amount or percentage of a contribution that a charitable organization will receive for a charitable program after costs of solicitation are paid is greater than the amount or percentage of a contribution the charitable organization will actually receive.

(j) Divert or misdirect contributions to a purpose or organization other than that for which the funds were contributed or solicited.

(n) Employ any device, scheme, or artifice to defraud or obtain money or property from a person by means of a false, deceptive, or misleading pretense, representation, or promise.

(o) Represent that funds solicited will be used for a particular charitable purpose if those funds are not used for the represented purpose.

(u)(ii) Submit any of the following to the attorney general . . . [a] document containing any materially false statement.

(y) For a charitable organization, submit financial statements, including IRS form 990, 990-EZ, 990-PF, or other 990- series internal revenue service return, or any other financial report required under this act, that contain any misrepresentation with respect to the organization's activities, operations, or use of charitable assets.

## **IV. Alleged Violations**

Every alleged violation below incorporates the facts alleged above and in every other alleged violation.

### **Phone Card Solicitation Allegations**

#### **24. Misrepresentation of Use of Funds Donated. MCL 400.288(1)(o).**

- a. Since at least 2015, Healing American Heroes, soliciting under the name Help our Wounded, has raised roughly \$3 million per year through direct mail fundraiser Jeremy Squires & Associates. Twenty-seven (27) of the forty (40) solicitations packages sent during this time represented, over and over, that funds raised would be used to “sponsor” or “activate” or purchase or otherwise fund phone cards for servicemembers, particularly those who were seriously injured during

deployment. Moreover, these solicitation packages included between one and three purported emergency servicemember phone cards—over 8 million cards in total in just in 2015—requesting that donors send back the cards and a donation to activate the cards.

- b. The following table details the response HAH received to its solicitations in 2015.

Phone cards	Mailings	MI mailings	Donations	MI donations	Money raised	MI money raised
<b>Total</b>	<b>4,926,755</b>	<b>164,822</b>	<b>167,591</b>	<b>5,589</b>	<b>\$2,669,710</b>	<b>\$97,572</b>

- c. Despite receiving \$2,669,710 from a total of 167,591 donations, HAH spent just \$5,030 on 1,000 phone cards—and distributed ***zero phone cards*** for the year.
- d. **164,822 violations in 2015.** For every phone card solicitation HAH and Jeremy Squire & Associates mailed in 2015 (4,926,755 nationwide; 164,822 in Michigan), HAH and Jeremy Squire & Associates misrepresented that the funds solicited would be used for a particular charitable purpose—to sponsor, activate, purchase, or otherwise fund phone cards for servicemembers—yet the funds HAH actually spent on phone cards (\$5,030 of \$2,669,710 raised, or 0.19%) were *de minimis*, instead spending the funds raised on fundraising expenses and other HAH programs, and HAH failed to distribute ***any*** phone cards to servicemembers in 2015. **Exhibit E**, Response #'s 8, 10, and 12. For every one of the 164,822 phone cards solicitation packages HAH

mailed into Michigan, HAH and Jeremy Squire & Associates engaged in numerous misrepresentations. For the purpose of this Notice of Intended Action, the Attorney General alleges one violation of MCL 400.288(1)(o) for each of the 164,822 phone card solicitation packages HAH and Jeremy Squire & Associates mailed into Michigan. [164,822 violations]

- e. **150,000 violations in 2016.** For every phone card solicitation HAH and Jeremy Squire & Associates mailed in 2016, HAH and Jeremy Squire & Associates misrepresented that the funds solicited would be used for a particular charitable purpose—to sponsor, activate, purchase, or otherwise fund phone cards for servicemembers—yet the funds HAH actually spent on phone cards in 2016 (\$5,058 of more than \$2 million in estimated funds raised from the phone card solicitation campaigns) were *de minimis*; instead, HAH spent the funds raised on fundraising expenses and other HAH programs. **Exhibit E**, Response #'s 8, 10, and 12. While the Attorney General lacks precise figures regarding the total number of phone card solicitations mailed into Michigan in 2016, for purposes of this Notice of Intended Action, the Attorney General alleges that HAH mailed at least 150,000 phone card solicitations into Michigan. (This is a conservative estimate, considering that HAH mailed 164k phone card solicitations in 2015 based on ten campaigns, and in 2016 conducted thirteen campaigns.)

For every one of the 150,000 phone cards solicitations HAH mailed into Michigan in 2016, HAH and Jeremy Squire & Associates engaged in numerous misrepresentations. For the purpose of this Notice of Intended Action, the Attorney General alleges one violation of MCL 400.288(1)(o) for each of the 150,000 phone card solicitation packages HAH and Jeremy Squire & Associates mailed into Michigan. [150,000 violations]

- f. **40,000 violations in 2017.** For every phone card solicitation HAH and Jeremy Squire & Associates mailed in 2017, HAH and Jeremy Squire & Associates misrepresented that the funds solicited would be used for a particular charitable purpose—to sponsor, activate, purchase, or otherwise fund phone cards for servicemembers—yet the funds HAH actually spends on phone cards is *de minimis*; instead, HAH spends the funds raised on fundraising expenses and other HAH programs. **Exhibit E**, Response #'s 8, 10, and 12. While the Attorney General lacks precise figures regarding the total number of phone card solicitations mailed into Michigan in 2017, for purposes of this Notice of Intended Action, the Attorney General alleges that HAH mailed at least 40,000 phone card solicitations into Michigan. (This is a conservative estimate that assumes HAH mailed at least 10,000 phone card solicitations for each of its four 2017 phone card campaigns.) For every one of the 40,000 phone card solicitations HAH mailed into

Michigan in 2017, HAH and Jeremy Squire & Associates engaged in numerous misrepresentations. For the purpose of this Notice of Intended Action, the Attorney General alleges one violation of MCL 400.288(1)(o) for each of the 40,000 phone card solicitation packages HAH and Jeremy Squire & Associates mailed into Michigan. [40,000 violations]

**25. Employ Any Scheme to Obtain Donation. MCL 400.288(1)(n).**

- a. Since at least 2015, Healing American Heroes, soliciting under the name Help our Wounded, has been raising roughly \$3 million per year through direct mail fundraiser Jeremy Squires & Associates. Twenty-seven (27) of the forty (40) solicitations packages sent during this time represented, over and over, that funds raised would be used to “sponsor” or “activate” or purchase or otherwise fund phone cards for servicemembers, particularly those who were seriously injured during deployment. Moreover, these solicitation packages included between one and three purported emergency servicemember phone cards—over 8 million cards in total just in 2015 and likely the same number in 2016—requesting that donors send back the cards and a donation to activate the cards. Other solicitation packages included a check for \$2 or \$10, requesting that that donors return the checks and a donation to purchase, sponsor, or activate the enclosed phone cards.

- b. In including these phone cards and \$2 and \$10 checks, HAH employed a device, scheme, or artifice to defraud or obtain money from donors by means of a false, deceptive, or misleading pretense, representation, or promise—that the phone cards returned to HAH would truly be activated and distributed to servicemembers, particularly those deployed servicemembers who had been severely injured.
- c. **354,822 violations in 2015, 2016, and 2017.** The Attorney General alleges that HAH, through its fundraiser Jeremy Squire & Associates, mailed at least 354,822<sup>1</sup> phone card solicitations into Michigan during 2015, 2016, and 2017. For each of these 354,822 solicitations, HAH and Jeremy Squire & Associates violated Section 18(1)(n) of the Solicitations Act. [354,822 violations]

**26. Diversion of Contributions to Other Purpose. MCL 400.288(1)(j).**

- a. In 2015, HAH raised \$97,572 in Michigan from 5,589 donations from phone card solicitation mailing conducted by Jeremy Squire & Associates.
- b. In 2016, HAH raised \$85,794.16 from 4,658 donations from all its fundraising campaigns in Michigan. While the total number of donations and total money raised from the phone card solicitations in Michigan in 2016 and 2017 remains unknown, the Attorney General alleges that HAH raised \$100,000 from 5,000 donations.

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<sup>1</sup> 354,822 is the total number of violations alleged in the previous violation for 2015, 2016, and 2017: 164,822 + 150,000 + 40,000.

- c. HAH and Jeremy Squire & Associates obtained each of these donations by informing donors that their donations would sponsor or activate or purchase or otherwise fund the emergency phone cards included in the mailings. In fact, HAH's expenditures on phone cards for servicemembers were *de minimus*; instead, HAH spent nearly all of the funds raised on fundraising and administrative expenses and to other programs.
- d. In this way, HAH diverted or misdirected an estimated \$197,572 from an estimated 10,589 donations to a purpose other than that for which the funds were contributed or solicited.
- e. **10,589 Violations.** The Attorney General alleges that, for each of the estimated 10,589 donations from Michigan residents, HAH diverted the contributions to another purpose, thereby violating Section 18(1)(j) of the Solicitations Act.

**27. Misrepresentation of percentage proceeding to charity. MCL**

**400.288(1)(i).**

- a. Every single mailing HAH made nationwide in 2015, 2016, and 2017—approximately 10 million mailings—included the following statement on the back of the reply forms in its solicitation packages: “Help our Wounded retains 100% of the funds contributed.” For example, see **Exhibits F.1 to F.10.**

- b. Every single mailing HAH made in 2015, 2016, and 2017—approximately 10 million mailings nationwide—included an “Our Promise” or “Special Note on Your Trust and Your Gift” or other similar statement on the back of the reply form sent to donors. For example, see **Exhibit J**. These statements include the following—or similar—statements, implying that donors can trust HAH to effectively steward their donation for the donor’s intended cause:
- i. HAH is an “efficient and extremely effective organization”;
  - ii. “We also carefully husband every dollar we receive from supporters and try to obtain the maximum benefit for those we serve.”
  - iii. “Because we rely on volunteers, the total compensation paid to employees is less than \$700 per week.”
  - iv. “Staff wages, rent, office supplies, travel, and staff meetings amount to less than 2 cents of every dollar raised.”
- c. Other mailings of HAH, including HS1501(**Ex. F.1**), HS1504 (**Ex. F.4**), HS1508 (**Ex. F.7**), and HS1513 (**Ex. F.9**), include the following statement: “. . . I’ve been able to help over 300 families who are caring for a severely wounded warrior, and have obtained grants and assistance for them totaling over \$500,000 – at no cost to them *and with every cent that was donated going directly to them.*”
- [Emphasis added]

- d. HAH's statements mislead donors to believe that a large percentage—or even 100%, or every cent—of a contribution will benefit a charitable purpose when, in fact, HAH spends millions of dollars per year on fundraising and mailing expenses and less than 10% of funds raised are granted to a charitable purpose.
- e. HAH, through its direct mail fundraiser Jeremy Squire & Associates, made the above misrepresentative and misleading statements in all of its mailings in Michigan (and nationwide) in 2015, 2016, and 2017. In 2015, HAH mailed 192,227 solicitations into Michigan, raising \$110,594.15 from 6,426 donations. **Exhibit E**, Response #'s 24, 26, and 27. In 2016, HAH mailed 159,675 solicitations into Michigan, raising \$85,794.16 from 4,658 donations. In 2017, we estimate that HAH mailed 40,000 solicitations into Michigan.
- f. In this way, every one of HAH's 391,902 mailings into Michigan in 2015, 2016, and 2017 represented or implied that the amount or percentage of a contribution that HAH would receive for its charitable programs was greater than the amount or percentage of a contribution HAH actually received.
- g. **391,902 violations.** The Attorney General alleges that, for each of the 341,902 solicitations mailed into Michigan in 2015 and 2016 and the 40,000 estimated solicitations mailed into Michigan in 2017, HAH and Jeremy Squire & Associates misrepresented the percentage or amount

of contribution proceeding to charity thereby violating Section 18(1)(i) of the Solicitations Act.

**Gift Card Solicitation Allegations**

**28. Misrepresentation of Use of Funds Donated. MCL 400.288(1)(o).**

- a. Since at least 2015, Healing American Heroes (HAH), soliciting under the name Help our Wounded, has raised roughly \$3 million per year through direct mail fundraiser Jeremy Squires & Associates. Twenty-seven (27) of the forty (40) solicitations packages sent during this time represented, over and over, that funds raised would be used to “sponsor” or “activate” or purchase or otherwise fund phone cards for servicemembers, particularly those who were seriously injured during deployment. Of the remaining thirteen (13) solicitation packages, six (6) represented that they were raising funds to give wounded soldiers gift cards; the remaining seven (7) solicitation packages raised funds for other HAH programs.
- b. Included in the gift card solicitation packages was a gift, which the donor was requested to return with a donation to HAH.
- c. The following table details the response HAH received to its gift card solicitations in 2015.

Gift Cards	Mailings	MI mailings	Donations	MI donations	Money raised	MI money raised
HS1510	64,868	2,116	2,561	90	\$39,441	\$1,577
HP1512	39,884	1,380	2,066	69	\$27,391	\$875
<b>Total</b>	<b>104,752</b>	<b>3,496</b>	<b>4,627</b>	<b>159</b>	<b>\$66,832</b>	<b>\$2,452</b>

- d. Despite receiving \$66,832 from a total of 4,627 donations, HAH spent just \$2,583 (4% of funds raised) and distributed just 33 cards for the year.
- e. **3,496 violations in 2015.** For every gift card solicitation HAH and Jeremy Squire & Associates mailed in 2015 (104,752 nationwide; 3,496 in Michigan), HAH and Jeremy Squire & Associates misrepresented that the funds solicited would be used for a particular charitable purpose—to sponsor, activate, purchase, or otherwise fund gift cards for servicemembers—yet the funds HAH actually spent on phone cards (\$2,583 of \$66,832 raised, or 4%) were *de minimis*; instead, HAH spent the funds raised on fundraising expenses and other HAH programs; and despite receiving 4,627 donations in 2015 for gift cards, HAH only distributed 33 gift cards for the whole year. **Exhibit E**, Response #'s 16, 18, and 20. For every one of the 3,496 gift card solicitation packages HAH mailed into Michigan, HAH and Jeremy Squire & Associates engaged in numerous misrepresentations. For the purpose of this Notice of Intended Action, the Attorney General alleges one violation of MCL 400.288(1)(o) for each of the 3,496 gift card solicitation packages HAH and Jeremy Squire & Associates mailed into Michigan. [3,496 violations]
- f. **3,000 violations in 2016.** For every gift card solicitation HAH and Jeremy Squire & Associates mailed in 2016, HAH and Jeremy Squire

& Associates misrepresented that the funds solicited would be used for a particular charitable purpose—to sponsor, activate, purchase, or otherwise fund gift cards for servicemembers—yet the funds HAH actually spent on gift cards in 2016 (\$8,712.12) were *de minimis*; instead, HAH spent the funds raised on fundraising expenses and other HAH programs. **Exhibit E**, Response #'s 16, 18, and 20. While the Attorney General lacks precise figures regarding the total number of gift card solicitations mailed into Michigan in 2016, for purposes of this Notice of Intended Action, the Attorney General alleges that HAH mailed at least 3,000 gift card solicitations into Michigan. (This is a conservative estimate, considering that HAH mailed 3,496 gift card solicitations in 2015 based on two campaigns, and in 2016 conducted three gift card campaigns.) For every one of the 3,000 gift card solicitations HAH mailed into Michigan in 2016, HAH and Jeremy Squire & Associates engaged in numerous misrepresentations. For the purpose of this Notice of Intended Action, the Attorney General alleges one violation of MCL 400.288(1)(o) for each of the 3,000 gift card solicitation packages HAH and Jeremy Squire & Associates mailed into Michigan. [3,000 violations]

- g. **1,000 violations in 2017.** For every gift card solicitation HAH and Jeremy Squire & Associates mailed in 2017, HAH and Jeremy Squire & Associates misrepresented that the funds solicited would be used for

a particular charitable purpose—to sponsor, activate, purchase, or otherwise fund gift cards for servicemembers—yet the funds HAH actually spends on gift cards were *de minimis*; instead, HAH spends the funds raised on fundraising expenses and other HAH programs.

**Exhibit E**, Response #'s 16, 18, and 20. While the Attorney General lacks precise figures regarding the total number of gift card solicitations mailed into Michigan in 2017, for purposes of this Notice of Intended Action, the Attorney General alleges that HAH mailed at least 1,000 gift card solicitations into Michigan. (This is a conservative estimate that assumes HAH mailed at least 1,000 gift card solicitations for its one 2017 gift card campaign.) For every one of the 1,000 gift card solicitations HAH mailed into Michigan in 2017, HAH and Jeremy Squire & Associates engaged in numerous misrepresentations. For the purpose of this Notice of Intended Action, the Attorney General alleges one violation of MCL 400.288(1)(o) for each of the 1,000 gift card solicitation packages HAH and Jeremy Squire & Associates mailed into Michigan. [1,000 violations]

**29. Employ Any Scheme to Obtain Donation. MCL 400.288(1)(n).**

- a. Since at least 2015, Healing American Heroes, soliciting under the name Help our Wounded, has been raised roughly \$3 million per year through direct mail fundraiser Jeremy Squires & Associates. Twenty-seven (27) of the forty (40) solicitations packages sent during this time

represented, over and over, that funds raised would be used to “sponsor” or “activate” or purchase or otherwise fund phone cards for servicemembers, particularly those who were seriously injured during deployment. Six (6) of the remaining thirteen (13) solicitations packages represented that funds raised be used to sponsor or purchase gift cards for servicemembers. The remaining seven (7) solicitations packages raised funds for other HAH programs. The HAH gift card solicitation packages included a gift card and requested that the solicited person return the gift card with a donation to activate or sponsor the card for a servicemember. Since 2015, HAH has mailed over 100,000 gift cards and received between 5,000 and 10,000 responsive donations.

- b. By including these gift cards in its solicitation packages, HAH employed a device, scheme, or artifice to defraud or obtain money from donors by means of a false, deceptive, or misleading pretense, representation, or promise—that the gift cards returned to HAH would be activated, purchased, or otherwise sponsored and distributed to servicemembers, particularly those deployed servicemembers who had been severely injured.
- c. **7,496 violations in 2015, 2016, and 2017.** The Attorney General alleges that HAH mailed at least 7,496<sup>2</sup> gift card solicitations into

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<sup>2</sup> 7,496 is the total number of violations alleged in the previous violation for 2015, 2016, and 2017: 3,496 + 3,000 + 1,000.

Michigan during 2015, 2016, and 2017. For each of these 7,496 solicitations, HAH and Jeremy Squire & Associates violated Section 18(1)(n) of the Solicitations Act. [7,496 violations]

**30. Diversion of Contributions to Other Purpose. MCL 400.288(1)(j).**

- d. In 2015, HAH raised \$2,452 in Michigan from 159 donations from two gift card solicitation campaigns conducted by Jeremy Squire & Associates.
- e. In 2016, HAH raised \$85,794.16 from 4,658 donations from all its fundraising campaigns in Michigan. While the total number of donations and total money raised from the gift card solicitations in Michigan in 2016 and 2017 remains unknown, the Attorney General alleges that HAH raised \$5,000 from 300 donations from its four gift card campaigns.
- f. HAH and Jeremy Squire & Associates obtained each of these donations by informing donors that their donations would sponsor or activate or purchase or otherwise fund the gift cards included in the mailings for the benefit of a servicemember. In fact, HAH's expenditures on gift cards for servicemembers were *de minimus*; instead, HAH spent nearly all of the funds raised on fundraising and administrative expenses and to other programs.

- g. In this way, HAH diverted or misdirected an estimated \$7,452 from an estimated 459 donations to a purpose other than that for which the funds were contributed or solicited.
- h. **459 Violations.** The Attorney General alleges that, for each of the estimated 459 donations from Michigan residents, HAH diverted the contributions to another purpose, thereby violating Section 18(1)(j) of the Solicitations Act.

### **31. Submitting Documents with False Statements to Attorney General.**

#### **MCL 400.288(1)(u)(ii).**

- a. HAH submitted its registration form in August 2016 accompanied with its 2015 IRS Form 990 and audited financial statements. HAH reported on its IRS Form 990 and its audited financial statements that it received \$3,362,784 in contributions, and had \$2,378,720 in total program services. But HAH's report of its total program services was false. Of the \$2,378,720 in total program service expenses, \$2,018,920—85% of total program services expenses—were reported as joint costs allocated to program services. But most of HAH's joint costs should have been allocated to fundraising, with only 5.6% of joint costs properly allocable to program expenses. The effect of this improper joint cost allocation was to overstate HAH's charitable programs by 6 to 7 times. **Exhibit C**, May 18, 2017 Notice of Intent to Deny.

- b. **2 violations.** In submitting its 2015 IRS Form 990 and audited financial statements to the Attorney General as part of its registration, HAH submitted documents with false statements in violation of MCL 400.288(1)(u)(ii). [2 violations]

**32. Submitting Financial Statements that Misrepresent HAH's charitable activities. MCL 400.288(1)(y).**

- a. HAH's 2015 IRS Form 990 and audited financial statements submitted to the Attorney General falsely overstated its total program service expenses by improperly allocating joint costs that should have been reported as fundraising expenses. Of the \$2,378,720 in total program service expenses, \$2,018,920—85% of total program services expenses—were reported as joint costs allocated to program services. But most of HAH's joint costs should have been allocated to fundraising, with only 5.6% of joint costs properly allocable to program expenses. The effect of this improper joint cost allocation was to overstate HAH's charitable programs by 6 to 7 times. **Exhibit C**, May 18, 2017 Notice of Intent to Deny.
- b. **2 violations.** In submitting its 2015 IRS Form 990 and audited financial statements to the Attorney General as part of its registration, HAH submitted financial statements that misrepresented HAH's charitable activities in violation of MCL 400.288(1)(y). [2 violations]

33. **Total Violations.** In total, and as described in the preceding paragraphs, the Attorney General alleges that HAH has violated the Solicitations Act 1,127,590<sup>3</sup> times and Jeremy Squire & Associates has violated the Solicitations Act 1,116,538<sup>4</sup> times.

## **V. Attorney General's Authority**

34. Section 20 of the Charitable Organizations and Solicitations Act specifies the Attorney General's authority to redress violations of the Act, including:

- a. Issuing a Notice of Intended Action, MCL 400.290(4);
- b. Issuing a Cease and Desist Order, MCL 400.290(4);
- c. Bringing a civil action in court with a fine of up to ***\$10,000 per violation***, MCL 400.290(1);
- d. Accepting an Assurance of Discontinuance, MCL 400.290(4); and
- e. Requesting injunctive relief, attorney fees and costs, and restitution, MCL 400.290(1).

35. Section 20 of the Solicitations Act allows the Attorney General to proceed against individual officers, directors, shareholders, or controlling members of HAH. MCL 400.290(1).

## **VI. Cease and Desist Order**

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<sup>3</sup> At a maximum civil fine of \$10,000 per violation, as alleged, HAH faces a maximum penalty of \$11,275,900,000. Even at a modest penalty of \$10 per violation, HAH faces a penalty of \$11,275,900.

<sup>4</sup> The total violations in paragraphs 22, 23, 25, 26, and 27 are alleged against Jeremy Squire & Associates. Paragraphs 24, 28, 29, and 30, which address diversion and submission of false documents, are only alleged against HAH.

36. The Attorney General **HEREBY ORDERS** Healing American Heroes, Inc. doing business as Help Our Wounded or otherwise and Jeremy Squire & Associates to ***CEASE AND DESIST*** all unlawful solicitations as described in the above violations. Within seven (7) days, Healing American Heroes and Jeremy Squire & Associates must confirm in writing to the Attorney General its compliance with this order.

37. Violations of this order may result in a civil action for restitution, civil fines, litigation costs, and injunctive relief. Continuing violations may also result in additional violations alleged in any civil action.

### **VII. Opportunity to Respond or to Confer with the Attorney General**

38. Within twenty-one (21) days of receiving this Notice, Healing American Heroes and Jeremy Squire & Associates have the opportunity to respond to the undersigned Assistant Attorney General and to confer with the undersigned Assistant Attorney General in reaching an appropriate assurance of discontinuance or settlement agreement.

39. If no satisfactory resolution is reached during this period, the Attorney General intends to bring a civil action against Healing American Heroes and its President Rosalinda Babin (and possibly other HAH directors or officers) and Jeremy Squire & Associates in Ingham County Circuit Court. The Attorney General will request restitution, civil fines, the awarding of litigation costs, and injunctive relief.

BILL SCHUETTE  
ATTORNEY GENERAL



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