

STATE OF MICHIGAN  
DEPARTMENT OF ATTORNEY GENERAL  
CONSUMER PROTECTION DIVISION

In the Matter of:

Attorney General  
File No. 2015-0122558-A

Corporations for Character, L.C.

Respondent.

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

TO: Corporations for Character

Resident Agent  
Corporate Creations Network, Inc.  
8175 Creekside Drive #200  
Portage, Michigan 49024.

Christopher R. Infanger  
Corporations for Character  
5286 S. Commerce Dr., Suite A-116  
Murray, Utah 84107

Bill Schuette, Attorney General of the State of Michigan, under Section 16(2) of the Public Safety Solicitation Act, MCL 14.301 *et seq.*, notifies Corporations for Character of his intention to bring a civil action against Corporations for Character in Ingham County Circuit Court and gives Corporations for Character twenty-one days (21) to cease and desist its misrepresentations and misleading and false statements in connection with its solicitations and reception of contributions. The Attorney General will consider accepting an assurance of discontinuance under Section 17 of the Act.

## I. Jurisdictional Allegations

1. Respondent Corporations for Character, L.C. is a Utah Limited Liability Company located at 5286 S. Commerce Dr., Suite B-258, Murray, UT 84107.
2. Corporations for Character is registered with the Michigan Attorney General as a professional fundraiser under the Public Safety Solicitations Act as #43098.
3. As a registered professional fundraiser that solicits in Michigan, Corporations for Character is a person subject to the authority of the Attorney General under the Public Safety Solicitations Act. MCL 14.301 *et seq*; MCL 14.302(b) and (c).
4. Corporations for Character's resident agent is Corporate Creations Network, Inc., 8175 Creekside Drive #200, Portage, Michigan 49024.

## II. Background Facts

5. In August 2015, the Attorney General received a complaint from [REDACTED] [REDACTED] of Farwell, Michigan alleging that she had recently received a pledge form from Michigan Fraternal Order of Police stating that she had pledged \$15.00 on August 20, 2015, and that her pledge was due on August 22, 2015. **Exhibit 1**, Complaint and pledge form.
6. [REDACTED] complained that she did not make a pledge on August 20<sup>th</sup> and stated that she would not honor the alleged pledge.

7. Section 11(1)(g) of Michigan’s Public Safety Solicitation Act prohibits an organization or professional fundraiser from misrepresenting, misleading, or making false statements to another person in any manner that would lead a reasonable person to believe “[t]hat the person has previously approved or agreed to make a contribution, when in fact the person has not given such approval or agreement.” MCL 14.311(1)(g).
8. On September 8, 2015, the Attorney General’s Charitable Trust Section forwarded the complaint to Michigan Fraternal Order of Police ordering it to cease and desist from the unlawful solicitation method alleged in the complaint and warning it of potential civil penalties for persistent and knowing violation of the act. **Exhibit 2.**
9. The Public Safety Solicitation Act also requires those subject to the Act to “make a voice recording of all telephone communications that solicit contributions” and to “make the recording available to the attorney general upon a request as a result of an investigation or complaint.” MCL 14.311. By his September 8, 2015 letter, the Attorney General also requested that Michigan Fraternal Order of Police produce the recording of the phone call when the pledge was allegedly made. **Exhibit 2.**
10. Corporations for Character of Murray, Utah responded to the Attorney General’s letter stating that it is the Michigan Fraternal Order of Police’s professional fundraiser and that it had investigated the complaint and was producing a recording of the telephone solicitation with [REDACTED]. **Exhibit 3,**

September 25, 2015 Response Letter from Corporations for Character.

**Exhibit 4.** [REDACTED] recording.

11. Corporations for Character asserted: “In this telephone call, Ms. [REDACTED] clearly agrees to receive a pledge request letter. When the agent attempted to determine the appropriate pledge amount, Ms. [REDACTED] terminated the telephone call without indicating that she no longer wished to receive the pledge letter. Without further guidance from Ms. [REDACTED] our agent sent the pledge request letter at \$15.00, the minimum standard amount, which Ms. [REDACTED] was free to alter or ignore.” **Exhibit 3.**

12. The Attorney General’s Charitable Trust Section reviewed the call recording and disagreed with Corporations for Character’s interpretation of the call. On October 15, 2015, the Attorney General contacted Corporations for Character, advising it that its denial of wrongdoing contradicted the facts from both the recording and the pledge letter:

The phone recording of the solicitation call of August 20, 2015 establishes the following: [REDACTED] hesitated when asked to agree to a pledge; after further prompting from the solicitor, [REDACTED] agreed to receive a form in the mail; [REDACTED] then objected to the solicitor’s attempts to convince her to agree to a specific pledge amount; and when the solicitor continued to press her for a specific pledge amount, [REDACTED] informed the solicitor that she was hanging up; she then ended the call. At no time during the call did [REDACTED] agree to any pledge amount; and she specifically objected to the solicitor’s attempts to get her to agree to pledges of \$100, \$50, and \$25.

Nevertheless, Corporations for Character proceeded to mail [REDACTED] a pledge form thanking her for her “promised pledge” to the Michigan FOP. Later, the form stated: “Again, fulfilling the

pledge you made on 8/20/2015 to give \$15.00 will have a great impact on your member officers.”

We find that the statements in the pledge form were false and violated Section 11(1)(g) of the Public Safety Solicitation Act, which prohibits misleading or false statements that would lead a reasonable person to believe that “the person has previously approved or agreed to make a contribution, when in fact the person has not given such approval or agreement.” MCL 14.311(1)(g).  
**[Exhibit 5]**

13. Because this was the first violation of which the Attorney General was aware, we advised Corporations for Character that we would not proceed with an action in court, but would require them to produce additional call recordings and pledge forms—all call recordings and associated pledge forms on behalf of Michigan Fraternal Order of Police from September 9, 2015 through October 8, 2015—so we could review for additional violations.
14. On November 18, 2015, Corporations for Character responded by producing 850 recordings and corresponding pledge letters.
15. The below alleged violations are based on our review of a sample of the produced recordings and pledge forms.

### **III. Law**

16. Section 11 of the Public Safety Solicitations Act prohibits persons subject to the Act from engaging in a variety of acts. MCL 14.311.
17. Section 11(1)(g) of the Act prohibits misrepresentations, or misleading or false statements “that would lead a reasonable person to believe . . . [t]hat the

person has previously approved or agreed to make a contribution, when in fact the person has not given such approval or agreement.” MCL 14.311(1)(g).

18. Section 11(2) states: “An organization or professional fund-raiser shall not knowingly take advantage of the inability of the person being solicited to reasonably protect his or her interests by reason of disability, illiteracy, or inability to understand the terms and conditions of an agreement to contribute.”

#### **IV. Alleged Violations**

19. The call recordings and pledge forms produced by Corporations for Character reveal three categories of misrepresentation or misleading or false statements.

20. **First Category:** In the first category, the call recipient did not pledge, but was sent a pledge form stating that that the person promised a pledge of a certain amount on a certain date and that the pledge is due by a certain date. These pledge forms contained false statements in violation of the Act.

##### **Exhibit 6, First Category Calls.**

- a. Martha [REDACTED], September 23, 2015
- b. Russell [REDACTED], October 2, 2015
- c. Ronald [REDACTED], September 10, 2015
- d. Geraldine [REDACTED], September 10, 2015
- e. Sybil [REDACTED], September 23, 2015

- f. Bill [REDACTED], October 6, 2015
- g. Cluster [REDACTED], October 5, 2015 – agreed to \$10 pledge, not \$15
- h. Lois [REDACTED], September 24, 2015
- i. Eunice [REDACTED], September 29, 2015
- j. Rumie [REDACTED], August 20, 2015

21. **Second Category:** In the second category, the call recipient did not pledge, but was sent an informational pledge form. These forms, while not explicitly stating that the recipient had promised a pledge, implied that the recipient had made a specific pledge by including a pledge amount and a due date in prominent lettering at the bottom of the form. These pledge forms would lead a reasonable person to believe that he had agreed to make a pledge when, in fact, he had not, which violates the Act. **Exhibit 7, Second Category Calls.**

- a. Pamela [REDACTED], September 9, 2015
- b. Pedro [REDACTED], September 9, 2015
- c. Dan [REDACTED], September 10, 2015
- d. Ruth [REDACTED] – no call recording – AG’s office received complaint from [REDACTED] on December 29, 2015.

22. **Third Category:** In the third category, the call recipient’s spouse agreed to pledge, but the pledge form was addressed to the non-pledging spouse. These pledge forms falsely state to the non-pledging spouse that he or she had pledged when, in fact, the non-pledging spouse had not pledged, which violates the Act. **Exhibit 8, Third Category Calls.**

- a. Robert [REDACTED], September 10, 2015
- b. Robert [REDACTED], September 10, 2015
- c. Donald [REDACTED], September 10, 2015
- d. Sarah [REDACTED], September 10, 2015
- e. Kimberly [REDACTED], September 29, 2015

23. Some of the calls also involved a violation of Section 11(2) of the Act by taking advantage of the inability of the person being solicited to reasonably protect his or her interests by reason of disability, illiteracy, or inability to understand the terms and conditions of an agreement to contribute. In these calls, the call recipients expressed difficulty understanding, had difficulty communicating, or expressed that a family member handles these matters for them, yet the solicitor took advantage of the call recipient by continuing the call and sending pledge forms.

- a. Martha [REDACTED], September 23, 2015
- b. Geraldine [REDACTED], September 10, 2015
- c. Ronald [REDACTED], September 10, 2015
- d. Sybil [REDACTED], September 23, 2015

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

24. Section 16(1) authorizes the Attorney General to bring a civil action to redress violations of the Act:

If the attorney general has probable cause to believe that a person has engaged, is engaging, or is about to engage in a method, act, or practice which is unlawful pursuant to this act, and upon notice given in

accordance with this section, the attorney general may bring an action in accordance with principles of equity to restrain the person by temporary or permanent injunction from engaging in the method, act, or practice. The action may be brought in the circuit court of the county where the person is established or solicits contributions or, if the person is not established in this state, in the circuit court of Ingham county. The court may award costs to the prevailing party. For persistent and knowing violation of this act the court may assess the person a civil penalty of not more than \$5,000.00. [MCL 14.316(1)]

25. Section 16(2) authorizes the Attorney General to issue a notice of intended action and cease and desist order:

Unless waived by the court on good cause shown not less than 10 days before the commencement of an action under this section the attorney general shall notify the person of his or her intended action and give the person an opportunity to cease and desist from the alleged unlawful method, act, or practice or to confer with the attorney general in person, by counsel, or by other representative as to the proposed action before the proposed filing date. The notice may be given the person by mail, postage prepaid, to his or her usual place of business or, if the person does not have a usual place of business, to his or her last known address, or to the resident agent. [MCL 14.316(2).]

26. Section 17 authorizes the Attorney General to accept an assurance of discontinuance:

(1) If the attorney general has authority to institute an action or proceeding pursuant to section 16, he or she may accept an assurance of discontinuance of a method, act, or practice which is alleged to be unlawful under this act from the person who is alleged to have engaged, is engaging, or is about to engage in the method, act, or practice. Except as provided in subsection (2), the assurance shall not constitute an admission of guilt nor be introduced in any other proceeding. The assurance may include a stipulation for 1 or more of the following:

- (a) The voluntary payment by the person for the costs of investigation.
- (b) An amount to be held in escrow pending the outcome of an action.
- (c) An amount for restitution to an aggrieved person.

(2) An assurance of discontinuance shall be in writing and filed with the court. The clerk of the court shall maintain a record of the filings.

Unless rescinded by the parties or voided by a court for good cause, the assurance may be enforced in the court by the parties to the assurance. The assurance may be modified by the parties or by the court for good cause.

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

44. The Attorney General HEREBY ORDERS Corporations for Character to CEASE and DESIST from making any solicitation calls or issuing any pledge forms that include the above alleged violations.

45. Violations of this order may result in a civil action for restitution, civil fines, litigation costs, and injunctive relief.

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

46. Within twenty-one (21) days of receiving this Notice, Corporations for Character has 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.

47. If no satisfactory resolution is reached during this period, the Attorney General intends to bring a civil action against Corporations for Character 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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Date: April 29, 2016