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JAN 11 2023

Attorney General  
Charitable Law Section

IN THE COURT OF COMMON PLEAS  
FRANKLIN COUNTY, OHIO

State of Ohio, *ex rel.* Dave Yost,  
Ohio Attorney General

Plaintiff,

v.

Logan Lodge No. 873, Loyal Order of Moose,  
Inc.

c/o CT Corporation System  
4400 Easton Commons Way, Suite 125  
Columbus, OH 43219

A. Kevin Nelson  
10026 Webb Rd.  
Logan, OH 43138

Melissa Nelson  
10026 Webb Rd.  
Logan, OH 43138

Defendants.

CASE NO.:

JUDGE

ASSURANCE OF DISCONTINUANCE

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Pursuant to the authority granted in the Ohio Charitable Organizations Act, Ohio Revised Code Chapter 1716 ("R.C. Chapter 1716"), specifically, R.C. 1716.16(C), and the Ohio Charitable Trust Act, R.C. 109.23-33, specifically, R.C. 109.24(E), Ohio Attorney General Dave Yost (the "Attorney General") accepts this Assurance of Discontinuance ("Agreement") from Logan Lodge No. 873, Loyal Order of Moose, Inc., A. Kevin Nelson, and Melissa Nelson (collectively, the "Defendants"). The Attorney General and the Defendants, as parties to this Agreement, acknowledge and agree that it is in their best interest and consistent with the best interests of the people of the State of Ohio to resolve the issues between them in the manner set forth herein. As part of this Agreement, the Attorney General and the Defendants stipulate as follows:

**I. JURISDICTION AND VENUE**

- A. This Court has jurisdiction over the subject matter of this action pursuant to R.C. Chapter 1716, R.C. 109.23-33, the rules adopted thereunder, and the Attorney General's common law authority to enforce charitable trusts. This Court has jurisdiction over the parties. Venue is proper in this Court.

**II. FACTS**

- B. Logan Lodge No. 873, Loyal Order of Moose, Inc. ("LOOM 873") was incorporated as a nonprofit corporation with the Ohio Secretary of State on or about October 29, 1946. LOOM 873 has been deemed exempt from federal income tax under I.R.C. Section 501(c)(8).
- C. The principal place of operations of LOOM 873 is 701 East Front St., Logan, OH 43138.
- D. A. Kevin Nelson ("Kevin Nelson") and Melissa Nelson currently reside at 10026 Webb Rd., Logan, OH 43138.
- E. LOOM 873's board members, officers, employees, and volunteers have held and hold LOOM 873 out to the public as an organization established for a benevolent, philanthropic, patriotic, educational, humane, scientific, public health, environmental conservation, civic, or other eleemosynary purpose.
- F. Kevin Nelson and Melissa Nelson and other board members, officers, employees, and volunteers employed charitable appeals and received things of value for charitable use on behalf of LOOM 873.
- G. LOOM 873 is a "charitable organization" as that term is defined in R.C. 1716.01(A) and a "charitable trust" as that term is defined in R.C. 109.23.

- H. The funds raised and held by the Defendants for charitable purposes were subject to a valid “charitable trust” under R.C. 109.23.
- I. The Ohio Charitable Trust Act and the Ohio Charitable Organizations Act prohibit certain acts and practices in the administration of any charitable trust and the solicitation of charitable contributions.
- J. LOOM 873 was first issued bingo license no. 0168-38 in 2003 and has been licensed to conduct Type III instant bingo since 2003.
- K. On or about July 13, 2021, LOOM 873 applied for a Type I bingo license. On July 29, 2021, an amended license was issued, permitting LOOM 873 to conduct both Type I and Type III bingo.
- L. On or about November 18, 2021, the LOOM 873 filed its 2022 Bingo License Application. The Office issued LOOM 873 a temporary bingo license for Type III instant bingo and Type I bingo on November 24, 2021.
- M. Kevin Nelson is the Administrator of LOOM 873 and a signer on its bank accounts.
- N. Melissa Nelson is employed by LOOM 873 and is also a bingo volunteer for LOOM 873.
- O. Kevin Nelson has fiduciary duties under R.C. 109.23-33, R.C. 1716.17, and the common law.
- P. The subject of this Agreement is the charitable trust and solicitation activities of the Defendants in the State of Ohio. Such activities are described in and regulated by the Ohio Charitable Organizations Act, R.C. Chapter 1716, the Ohio Charitable Trust Act, R.C. 109.23-33, and the Attorney General’s common law authority to enforce charitable trusts.

**III. FINDINGS OF THE ATTORNEY GENERAL**

- Q. The Attorney General is responsible for the administration and enforcement of Ohio Revised Code Chapter 2915 (“R.C. Chapter 2915”), and the Ohio Administrative Code rules adopted thereunder, which regulate the conduct of charitable bingo in the state of Ohio.
- R. The Attorney General is responsible for the enforcement of Ohio Revised Code Chapter 1716 (“R.C. Chapter 1716”), and the Ohio Administrative Code rules adopted thereunder, which require, among other things, that every charitable organization, unless exempt, who intends to solicit contributions in this state by any means or have contributions solicited in this state on its behalf by any person or entity, prior to engaging in any solicitation, shall file a registration statement and other documentation with the Attorney General.
- S. The Attorney General is responsible for the enforcement of the Ohio Charitable Trust Act, R.C. 109.23-33, and the Ohio Administrative Code rules adopted thereunder, and, in particular, R.C. 109.24, which reads, “[t]he Attorney General shall institute and prosecute a proper action to enforce the performance of any charitable trust and to restrain the abuse of it.”
- T. The Attorney General has authority to refuse to grant a charitable bingo license to an organization, to revoke or suspend the organization’s license, or to place limits, restrictions, or probationary conditions on the organization's license for a limited or indefinite period. R.C. 2915.08(F)(2).
- U. The Attorney General is the party charged with enforcing the Ohio Charitable Organizations Act and the Ohio Charitable Trust Act and has caused an investigation to be conducted by the Charitable Law Section into the Defendants’ charitable trust activities

(the “Charitable Investigation”). As a result of the Charitable Investigation, the Attorney General has reason to believe the Defendants have failed to comply with the requirements of Ohio Revised Code Chapters 109, 1716, and 2915, and the common law by committing the following violations:

1. R.C. 1716.17, R.C. 109.23(A), and common law: Kevin Nelson breached his fiduciary duties of care, to properly manage accounts, to comply with Ohio law, and to act in the best interest of the charity, resulting in loss and other damages to the charitable beneficiaries of LOOM 873.
2. R.C. 1716.14(A)(12): Kevin Nelson and LOOM 873 operated in violation of, and failed to comply with, the requirements of R.C. Chapter 1716.
3. R.C. 2915.08(F)(2)(a): LOOM violated R.C. 2915.07 by conducting Type I bingo without a license.
4. R.C. 2915.08(F)(3): Kevin Nelson has breached his fiduciary duties to, or committed other type of misconduct related to, LOOM 873.
5. Unjust enrichment: Kevin Nelson and Melissa Nelson were unjustly enriched with charitable funds of and/or from LOOM 873.

V. The Attorney General’s findings, as outlined above, are the basis upon which this Agreement has been negotiated. However, this Agreement is the culmination of disputed claims and does not constitute an admission of any wrongdoing by the Defendants.

#### **IV. ASSURANCES**

W. LOOM 873 agrees to pay a civil penalty in the amount of \$5,000.00 (five thousand dollars and zero cents) (the “Civil Penalty Amount”). The Civil Penalty Amount shall be paid by

wire transfer (pursuant to instructions provided by the Attorney General) or certified check or money order payable to "Treasurer, State of Ohio" and mailed to:

Ohio Attorney General  
Finance Department – CL  
30 E. Broad St., 15th Floor  
Columbus, OH 43215  
RE: LOOM 873/Charitable Law

LOOM 873 shall pay the entire Civil Penalty Amount contemporaneously with the execution of this Agreement. LOOM 873 agrees that all money used to fulfill the terms of the Agreement shall come exclusively from LOOM 873's general operating account. The Attorney General shall deposit the Civil Penalty Amount into the charitable law fund established under R.C. 109.32.

- X. Kevin Nelson and Melissa Nelson agree to pay restitution in the amount of \$4,000.00 (four thousand dollars and zero cents) (the "Restitution Amount"). The Restitution Amount shall be paid by wire transfer (pursuant to instructions provided by the Attorney General) or certified check or money order payable to "Treasurer, State of Ohio" and mailed to:

Ohio Attorney General  
Finance Department – CL  
30 E. Broad St., 15th Floor  
Columbus, OH 43215  
RE: Kevin & Melissa Nelson/Charitable Law

Kevin and Melissa Nelson shall pay the entire Restitution Amount contemporaneously with the execution of this Agreement. The Restitution Amount shall be redistributed, at the sole discretion of the Attorney General, in support of other charitable purposes. Kevin and Melissa Nelson agree that they are jointly and severally liable for the Restitution Amount.

- Y. If LOOM 873, Kevin Nelson, and/or Melissa Nelson fail to comply with the payment requirements above, the Attorney General shall certify any and all unpaid balances of the

Civil Penalty Amount and/or the Restitution Amount to the Ohio Attorney General's Collections Enforcement Section ("Collections") for collection. In the event of certification, LOOM 873, Kevin Nelson, and/or Melissa Nelson, as applicable, agree to pay additional collection costs assessed by Collections in accordance with Ohio Revised Code Section 131.02(A) equal to the amounts charged pursuant to Ohio Revised Code Sections 109.08 and 109.081 for the cost of certification and the use of Special Counsel for the collection of the debt. Interest shall also be charged upon certification in accordance with R.C. 131.02(D). Nothing in this paragraph should be construed to limit the Attorney General's discretion to pursue any other available remedy.

- Z. The payment of the Civil Penalty Amount and/or the Restitution Amount and the acceptance of such amount by the Attorney General shall not be construed to limit the Attorney General's authority to seek additional relief pursuant to the Ohio Charitable Organizations Act, R.C. Chapter 1716, the Ohio Charitable Trust Act, R.C. 109.23-33, and the common law, or to otherwise seek judicial enforcement of this Agreement, for any future violations.
- AA. Kevin Nelson agrees that, prior to January 1, 2025, he will not be a "bingo game operator" and will not conduct bingo within the meaning of R.C. Chapter 2915.01 and the rules adopted thereunder. Kevin Nelson agrees further that he will never be a "bingo game operator" or "conduct bingo" for any "charitable organization," within the meaning of R.C. Chapter 2915 and the rules adopted thereunder, for any charitable organization of which a director, trustee, officer or bingo game operator is related to Kevin Nelson by blood or marriage. Kevin Nelson agrees that at least 30 days prior to becoming a "bingo game

operator” for LOOM 873 or any other “charitable organization”, he will notify the Attorney General by sending an email to [CharitableBingo@OhioAGO.gov](mailto:CharitableBingo@OhioAGO.gov).

- BB. Melissa Nelson agrees that, prior to January 1, 2026, she will not be a “bingo game operator” and will not conduct bingo within the meaning of R.C. Chapter 2915 and the rules adopted thereunder. Melissa Nelson agrees further that she will never be a “bingo game operator” or “conduct bingo” for any “charitable organization,” within the meaning of R.C. Chapter 2915 and the rules adopted thereunder, for any charitable organization of which a director, trustee, officer or bingo game operator is related to Melissa Nelson by blood or marriage. Melissa Nelson agrees that at least 30 days prior to becoming a “bingo game operator” for LOOM 873 or any other “charitable organization”, she will notify the Attorney General by sending an email to [CharitableBingo@OhioAGO.gov](mailto:CharitableBingo@OhioAGO.gov).
- CC. LOOM 873 agrees to maintain enough board members that the majority of board members are independent from Kevin Nelson and Melissa Nelson at all times. For purposes of this Agreement, an independent board member must have no pre-existing involvement, or family member with any involvement, in the governance, management or finances of LOOM 873, any vendor to LOOM 873, or any other relationship with either of Defendants or any other relationship that could give rise to a conflict of interest. Furthermore, LOOM 873 agrees to adopt and adhere to a conflict of interest policy adopted by the board of directors.
- DD. At all times, at least one independent board member, other than Kevin and/or Melissa Nelson, shall be an authorized user and signer on any and all bank or other financial accounts held in the name of or operated on behalf of LOOM 873 who shall also be the



only authorized signer on disbursements to Kevin Nelson and/or Melissa Nelson. This paragraph shall go into effect within thirty (30) days after the Agreement is finalized

- EE. LOOM 873 shall keep and maintain a written record of all board meetings and decisions, including any resolutions and actions without a meeting, and shall also keep receipts for organizational expenses for at least three (3) years from the date of each respective meeting, decision, or expenditure.
- FF. LOOM 873 shall adopt and adhere to internal controls policies and procedures, including but not limited to, policies for cash handling, electronic instant bingo operations, conflicts of interest, and expense reimbursement.
- GG. LOOM 873 agrees that all board members on the reformed board shall attend Bingo School no later than June 30, 2023. Although attendance at Bingo School is free, participants must register in advance at <https://charitable.ohioago.gov/Charitable-Bingo/Register-for-Bingo-School> or by calling (614) 466-3180.
- HH. LOOM 873 agrees that nothing in this Agreement relieves LOOM 873 of its obligation to make all charitable distributions required under Ohio law and its contract(s).
- II. LOOM 873 agrees that this Agreement is a limit, restriction, or probationary condition on its charitable bingo license pursuant to R.C. 2915.08(F)(2).
- JJ. The Defendants agree that this Agreement is made in lieu of prosecution of a civil or administrative action based upon the findings set forth herein.
- KK. The Defendants agree that any evidence of a violation of this Agreement shall be *prima facie* evidence of a violation of Chapter 1716 of the Ohio Revised Code and any rule adopted thereunder in any subsequent action or proceeding brought by the Attorney General, as provided in R.C. 1716.16(C).

- LL. The Defendants agree that any matter closed by the acceptance of this Agreement may be reopened at any time by the Attorney General for further proceedings in the public interest based upon any violation of the terms of this Agreement or upon the discovery of evidence not known by the parties hereto at the time of signing. The Defendants further agree that nothing in this Agreement is intended in any way to limit the Attorney General's authority to investigate the charitable trust and solicitation activities of the Defendants pursuant to R.C. Chapter 1716 or R.C. 109.24 or common law.
- K. The Attorney General will not consider the facts giving rise to this Agreement when issuing charitable bingo licenses to LOOM 873 in the future unless LOOM 873 fails to comply with any provision of this Agreement. In that event, the Attorney General may consider the facts giving rise to this Agreement when determining whether to issue or deny future bingo licenses to LOOM 873 and may move to revoke, suspend, deny, place limitations or probationary terms on LOOM 873's Charitable Bingo License or application based on those facts.

#### **V. RETENTION OF JURISDICTION**

- MM. This Court shall retain jurisdiction of this action for the purpose of enforcing this Agreement.

#### **VI. ACKNOWLEDGMENTS**

- NN. The Defendants acknowledge that they have been given an opportunity to seek and be advised by legal counsel as to the meaning and effect of each provision of this Agreement and that they have elected of their own free will and accord to enter into this Agreement.

- OO. The parties hereby agree that this Agreement is binding upon the heirs, successors, and assignees of all parties hereto and that this Agreement constitutes the entire agreement and understanding of the parties.
- PP. This Agreement may be signed in counterparts which, when taken together, will constitute a single integrated document. Signed copies of the Agreement sent by fax or email will be considered to be the same as original signed versions.
- QQ. This Agreement shall be effective upon execution by a duly authorized representative of the Attorney General. Each Defendant signing this Agreement understands and agrees that he or she shall be bound by all of the Agreement's terms regardless of whether any other Defendant, board member, officer, or volunteer assents to or complies with the same terms

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**CERTIFICATION**

Each individual signing below represents that the individual is authorized and directed to sign this Agreement on behalf of the party represented and further represents that he or she has the requisite authority to bind the party on behalf of whom the individual is signing.

LOGAN LODGE NO. 873, LOYAL  
ORDER OF MOOSE, INC.

*Ronald L Flood*

Signature

*RONALD L. FLOOD V. PFER.*

Print Name/Title

*12/28/22*

Date

DAVE YOST  
OHIO ATTORNEY GENERAL

*Daniel W. Fausey*

Daniel W. Fausey

Section Chief, Charitable Law Section

01/20/23

Date

A. KEVIN NELSON, in his personal capacity

*A. Kevin Nelson*

Signature

*12-28-2022*

Date

MELISSA NELSON, in her personal capacity

*Melissa Nelson*

Signature

*12-28-2022*

Date

*Kurt O. Geahrison*

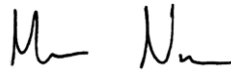
*Kurt O. Geahrison*

*Attorney for Defendants  
SCT # 0021245*

**CERTIFICATE OF SERVICE**

I hereby certify that, on January 23, 2023, a true and accurate copy of the foregoing Assurance of Discontinuance was served by the court's electronic filing system upon the following:

Kurt Gearhiser  
4484 Trailane Dr.  
Hilliard, OH 43026  
[Obal3@yahoo.com](mailto:Obal3@yahoo.com)  
*Counsel for Logan Lodge No. 873, Loyal Order of Moose, Inc.  
and Kevin and Melissa Nelson*



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Megan N. Nelson (0100134)  
Assistant Attorney General  
Charitable Law Section  
30 East Broad Street, 25th Floor  
Columbus, Ohio 43215-3130  
Telephone: (614) 644-8714  
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*Counsel for Plaintiff Ohio Attorney General*