



DAVE YOST

OHIO ATTORNEY GENERAL

Charitable Law Section
Office 614-466-3181
Fax 614-466-9788

SETTLEMENT AGREEMENT

This SETTLEMENT AGREEMENT is made by and between South Park Memorial Post 675 Company (“American Legion #675”), located at 638 Watervliet Avenue, Dayton, OH 45420, and the Attorney General of Ohio (“Attorney General”), for the purpose of resolving issues regarding American Legion #675’s charitable bingo operations. Together, the Attorney General and American Legion #675 are referred to hereinafter as “the parties.”

1. The Attorney General is responsible for the administration and enforcement of Ohio Revised Code Section 2915 (“ORC 2915 *et seq.*”), and the Ohio Administrative Code rules adopted thereunder, which regulate the conduct of charitable bingo in the state of Ohio;
2. The Attorney General is responsible for the enforcement of Ohio Revised Code Chapter 1716 (“ORC Chapter 1716”), and the Ohio Administrative Code rules adopted thereunder, which requires, 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;
3. The Attorney General is responsible for the enforcement of Ohio Revised Code Sections 109.23-.33 (“ORC 109.23-.33”), and the Ohio Administrative Code rules adopted thereunder, and, in particular, ORC 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”;
4. American Legion #675 is a 501(c)(19) tax exempt organization with the Internal Revenue Service (“IRS”) with EIN 31-6049838. American Legion #675 is registered with the Attorney General as required under ORC 1716.01 *et seq.* and ORC 109.23-.33.
5. On or about February 13, 2023, American Legion #675 submitted its 2023 bingo license renewal application for a Type III license to conduct paper instant bingo other than at a bingo session and electronic instant bingo other than at a bingo session;
6. On or about August 14, 2018, the Attorney General and American Legion #675 entered into a settlement agreement to resolve charitable distribution arrearages from bingo years 2015, 2016, and 2017 (the “2018 Agreement”). A copy of the 2018 Agreement is attached and incorporated;
7. The basis of the 2018 Agreement was that American Legion #675 had failed to make charitable distributions of \$14,590.56 in 2015, \$11,505.16 in 2016, and \$11,517.59 in 2017 as required by R.C. § 2915.101;

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AMERICAN LEGION #675

8. On or about November 29, 2019 the Attorney General and American Legion #675 entered into a settlement agreement amending the 2018 Agreement (the “2019 Agreement”). A copy of the 2019 Agreement is attached and incorporated;
9. The basis of the 2019 Agreement was that the Internal Revenue Service had revoked American Legion #675’s tax-exempt status on September 15, 2017 and that American Legion #675 was unable to comply with the payment requirements in the 2018 Agreement;
10. As of the date of this SETTLEMENT AGREEMENT, American Legion #675 has not paid any of its obligation under the 2018 Agreement or the 2019 Agreement.

NOW THEREFORE, in consideration of the mutual promises herein expressed, and with intent to be legally bound, the parties agree as follows:

- A. American Legion #675 shall pay 2015-2017 distribution shortages of \$37,613.31 (thirty-seven thousand six hundred thirteen dollars and thirty-one cents) in no more than 12 monthly installments due on or before the first day of each month beginning July 1, 2023. The first eleven payments shall be in the amount of \$3,100.00 (three thousand one hundred dollars) each with a twelfth and final payment in the amount of \$3,513.31 (three thousand five hundred thirteen dollars and thirty-one cents);
- B. The payments under Paragraphs A and B shall be made directly to American Legion Department of Ohio Charities, Inc., EIN 02-0692968;
- C. American Legion #675 shall annually provide a copy of the SETTLEMENT AGREEMENT to American Legion Department of Ohio Charities, Inc.;
- D. American Legion #675 shall upload copies of the checks or other proof of payment made under Paragraphs A and B to the Charitable Account Management Portal on a quarterly basis;
- E. American Legion #675 shall pay a civil penalty in the amount of \$5,000 (five thousand dollars) (the “Civil Penalty Amount”). The Attorney General agrees to STAY \$5,000 (five thousand dollars) upon full compliance of the terms of this SETTLEMENT AGREEMENT. The Attorney General has sole authority to determine whether American Legion #675 has fully complied with this SETTLEMENT AGREEMENT. Should the Attorney General determine that American Legion #675 has failed to comply with this SETTLEMENT AGREEMENT, the fully civil penalty amount shall be payable upon demand;
- F. If American Legion #675 fails to comply with the payment requirements above, the Attorney General shall certify the unpaid balance of the payment to the Ohio Attorney General’s Collections Enforcement Section (“Collections”) for collection. In the event of certification, American Legion #675 agrees 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

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- 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 Ohio Revised Code Section 131.02(D). Nothing in this paragraph should be construed to limit the Attorney General's discretion to pursue any other available remedy;
- G. American Legion #675 agrees that all money used to fulfill the terms of this SETTLEMENT AGREEMENT shall come exclusively from American Legion #675's general operating account. Money collected under Paragraph A and B above will be allocated as charitable distributions for bingo fiscal years 2015, 2016, and 2017 only;
- H. American Legion #675 agrees that as it pays off the distribution shortages under Paragraphs A and B, it will make all newly accruing and current bingo fiscal year charitable distributions required under Ohio law and its contract(s) on a quarterly basis;
- I. American Legion #675 agrees that if it fails to comply with requirements in Paragraphs A through E above, it will surrender its Charitable Bingo License and/or Charitable Bingo Temporary Permit to the Attorney General as well as request, in writing, the withdrawal of any Charitable Bingo License Applications it has pending or refrain from initiating an application for the current year;
- J. American Legion #675 agrees that in the event that the conditions contained in Paragraph I above result in American Legion #675 not having a current bingo license, American Legion #675 shall not make application for a Charitable Bingo License until American Legion #675 has paid all amounts due and owing, including all charitable distribution requirements both under this SETTLEMENT AGREEMENT, under its contracts with any charities, collection costs, and any other amounts as required by Ohio law;
- K. American Legion #675 agrees that its primary bingo game operator, bingo records custodian, and electronic instant bingo operator shall attend Bingo School no later than December 31, 2023. Although attendance at Bingo School is free, participants must register in advance at <https://charitable.ohioago.gov/Charitable-Bingo/Register-for-BingoSchool> or by calling (614) 466-3180.
- L. American Legion #675 agrees that its primary bingo game operator, bingo records custodian, and electronic instant bingo operator shall complete Charitable University no later than December 31, 2023. Participation in Charitable University is free and courses are completed online. Information about the program and how to register is available at <https://charitable.ohioago.gov/Charitable-University>.
- M. American Legion #675 agrees that this SETTLEMENT AGREEMENT is a limit, restriction, or probationary condition on its charitable bingo license pursuant to R.C. 2915.08(F)(2).
- N. American Legion #675 agrees that fulfilling the terms of this SETTLEMENT AGREEMENT in no way negates its current contractual obligations to its Contracted Charities or their successor(s);

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AMERICAN LEGION #675


- O. American Legion #675 agrees to comply with all state and federal laws relating to charitable gaming, and to fully cooperate with all state and federal authorities conducting investigations of American Legion #675's charitable gaming operations;
- P. American Legion #675 agrees to comply with the requirements of ORC Chapter 2915, and any Ohio Administrative Code rules adopted thereunder;
- Q. American Legion #675 agrees to comply with the requirements of ORC Chapter 1716, and any Ohio Administrative Code rules adopted thereunder;
- R. American Legion #675 agrees to comply with the requirements of ORC 109.23-.33, and any Ohio Administrative Code rules adopted thereunder;
- S. American Legion #675 agrees that if it fails to comply with the terms of this SETTLEMENT AGREEMENT, it may be subject to additional restrictions and probationary terms under ORC Chapter 2915.
- T. Upon execution of this SETTLEMENT AGREEMENT, the Attorney General will not consider the distribution shortages and prior settlement agreements described above when reviewing applications for charitable bingo licenses to American Legion #675 for 2023 and in the future provided, however, that if American Legion #675 fails to comply with any provision of this SETTLEMENT AGREEMENT, the Attorney General may consider the facts giving rise to this SETTLEMENT AGREEMENT when determining whether to issue or deny future bingo licenses to American Legion #675 and may move to revoke, suspend, deny, place limitations or probationary terms on American Legion #675's Charitable Bingo License or application based on those facts.
- U. American Legion #675 agrees that any evidence of a violation of this SETTLEMENT AGREEMENT shall be *prima facie* evidence of American Legion #675's violation of the applicable laws related to charitable gaming, ORC Chapter 2915, ORC Chapter 1716, ORC 109.23-.33, or any Ohio Administrative Code rules adopted thereunder, in any subsequent action or proceeding brought by the Attorney General;
- V. This SETTLEMENT AGREEMENT is binding upon the parties, any and all successors, assigns, subsidiaries, agents, employees, or representatives of the parties or any other affiliates. Any breach of this SETTLEMENT AGREEMENT by American Legion #675 will discharge the Attorney General from any obligations under the terms of this SETTLEMENT AGREEMENT, but will not discharge American Legion #675 from any obligation it has under this SETTLEMENT AGREEMENT;
- W. By signing this SETTLEMENT AGREEMENT, the Attorney General is not waiving any rights he has to conduct further investigations of American Legion #675 and to initiate an action against American Legion #675 for further violations of ORC Chapter 2915, ORC Chapter 1716, ORC 109.23-.33, or any Ohio Administrative Code rules adopted thereunder;

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- X. This SETTLEMENT AGREEMENT may be modified in writing by the parties. Modifications are at the sole discretion of the Attorney General;
- Y. The parties have read and understand this SETTLEMENT AGREEMENT and have entered into the same knowingly, voluntarily, and with the opportunity to gain advice of counsel;
- Z. This SETTLEMENT AGREEMENT supersedes any and all prior agreements between the Parties; and
- AA. This SETTLEMENT AGREEMENT is entered into by both parties and may be executed in counterparts or facsimiles, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. It shall be considered binding and effective upon the date of the last signature of all requisite parties and individuals.

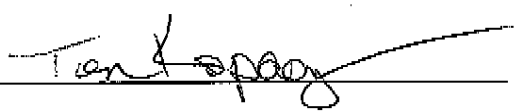
The parties to this SETTLEMENT AGREEMENT have either executed it or caused it to be executed by their duly authorized representatives as evidenced by the signatures below:

AMERICAN LEGION #675

By:  4/7/23
Date

DEL BAKER (Print Name)

Its: FINANCE OFFICER (Organizational Title)

By:  4/7/23
Date

Tom Kocacz (Print Name)

Its: Adjutant (Organizational Title)

OHIO ATTORNEY GENERAL DAVE YOST

By: _____
Daniel W. Fausey
Section Chief, Charitable Law Section

_____ Date

SETTLEMENT AGREEMENT
AMERICAN LEGION #675

- X. This SETTLEMENT AGREEMENT may be modified in writing by the parties. Modifications are at the sole discretion of the Attorney General;
- Y. The parties have read and understand this SETTLEMENT AGREEMENT and have entered into the same knowingly, voluntarily, and with the opportunity to gain advice of counsel;
- Z. This SETTLEMENT AGREEMENT supersedes any and all prior agreements between the Parties; and
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The parties to this SETTLEMENT AGREEMENT have either executed it or caused it to be executed by their duly authorized representatives as evidenced by the signatures below:

AMERICAN LEGION #675

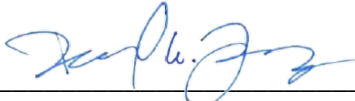
By: _____ Date _____

(Print Name)
Its: _____ (Organizational Title)

By: _____ Date _____

(Print Name)
Its: _____ (Organizational Title)

OHIO ATTORNEY GENERAL DAVE YOST

By:  _____ Date 04/07/23
Daniel W. Fausey
Section Chief, Charitable Law Section



SETTLEMENT AGREEMENT

This SETTLEMENT AGREEMENT is made by and between American Legion #675 ("AL #675"), 228 Obell Ct. Dayton, Ohio 45409, and the Attorney General of Ohio ("Attorney General"), for the purpose of resolving issues regarding AL #675's charitable bingo operations. Together, the Attorney General and AL #675 are referred to hereinafter as "the parties."

1. WHEREAS, the Attorney General is responsible for the administration and enforcement of Ohio Revised Code Chapter 2915 ("R.C. 2915 et seq."), and the Ohio Administrative Code rules adopted thereunder, which regulate the conduct of charitable bingo in the State of Ohio;
2. WHEREAS, the Attorney General is responsible for the enforcement of Ohio Revised Code Chapter 1716 ("R.C. 1716 et seq."), and the Ohio Administrative Code rules adopted thereunder, which requires, 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;
3. WHEREAS, the Attorney General is responsible for the enforcement of Ohio Revised Code Chapter 109 ("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";
4. WHEREAS, AL #675 did not deposit all bingo gross profit into the checking account devoted exclusively to the bingo game of \$8,032.00 (eight thousand thirty two dollars) for bingo fiscal year 2016;
5. WHEREAS, AL #675 was authorized to conduct bingo during bingo fiscal year 2015, 2016 and 2017 (November 1, 2014 - October 31, 2017) and represented to have a contract with American Legion Department of Ohio Charities ("AL Ohio Charities") to distribute to them at least twenty-five percent (25%) of the net profit from charitable bingo operations; and
6. WHEREAS, AL #675 had a charitable distribution arrearage to AL Ohio Charities of \$14,590.56 (fourteen thousand five hundred ninety dollars and fifty six cents) for bingo fiscal year 2015, an additional arrearage of \$11,505.16 (eleven thousand five hundred five dollars and sixteen cents) for bingo fiscal year 2016, and an additional arrearage of \$11,517.59 (eleven thousand five hundred seventeen dollars and fifty nine dollars) for bingo fiscal year 2017 for a total arrearage amount of \$37,613.31 (thirty seven thousand six hundred thirteen dollars and thirty one cents).

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AMERICAN LEGION #675**

NOW THEREFORE, in consideration of the mutual promises herein expressed, and with intent to be legally bound, the parties agree as follows:

- A. AL #675 shall pay the sum of \$37,613.31 (thirty seven thousand six hundred thirteen dollars and thirty one cents) in 60 monthly installments to the Ohio Attorney General's Charitable Law Section according to the following payment schedule:

| Payment due date | Minimum payment amount |
|-------------------|------------------------|
| August 1, 2018 | \$738.31 |
| September 1, 2018 | \$625.00 |
| October 1, 2018 | \$625.00 |
| November 1, 2018 | \$625.00 |
| December 1, 2018 | \$625.00 |
| January 1, 2019 | \$625.00 |
| February 1, 2019 | \$625.00 |
| March 1, 2019 | \$625.00 |
| April 1, 2019 | \$625.00 |
| May 1, 2019 | \$625.00 |
| June 1, 2019 | \$625.00 |
| July 1, 2019 | \$625.00 |
| August 1, 2019 | \$625.00 |
| September 1, 2019 | \$625.00 |
| October 1, 2019 | \$625.00 |
| November 1, 2019 | \$625.00 |
| December 1, 2019 | \$625.00 |
| January 1, 2020 | \$625.00 |
| February 1, 2020 | \$625.00 |
| March 1, 2020 | \$625.00 |
| April 1, 2020 | \$625.00 |
| May 1, 2020 | \$625.00 |
| June 1, 2020 | \$625.00 |
| July 1, 2020 | \$625.00 |
| August 1, 2020 | \$625.00 |
| September 1, 2020 | \$625.00 |
| October 1, 2020 | \$625.00 |
| November 1, 2020 | \$625.00 |
| December 1, 2020 | \$625.00 |
| January 1, 2021 | \$625.00 |

| Payment due date | Minimum payment amount |
|-------------------|------------------------|
| February 1, 2021 | \$625.00 |
| March 1, 2021 | \$625.00 |
| April 1, 2021 | \$625.00 |
| May 1, 2021 | \$625.00 |
| June 1, 2021 | \$625.00 |
| July 1, 2021 | \$625.00 |
| August 1, 2021 | \$625.00 |
| September 1, 2021 | \$625.00 |
| October 1, 2021 | \$625.00 |
| November 1, 2021 | \$625.00 |
| December 1, 2021 | \$625.00 |
| January 1, 2022 | \$625.00 |
| February 1, 2022 | \$625.00 |
| March 1, 2022 | \$625.00 |
| April 1, 2022 | \$625.00 |
| May 1, 2022 | \$625.00 |
| June 1, 2022 | \$625.00 |
| July 1, 2022 | \$625.00 |
| August 1, 2022 | \$625.00 |
| September 1, 2022 | \$625.00 |
| October 1, 2022 | \$625.00 |
| November 1, 2022 | \$625.00 |
| December 1, 2022 | \$625.00 |
| January 1, 2023 | \$625.00 |
| February 1, 2023 | \$625.00 |
| March 1, 2023 | \$625.00 |
| April 1, 2023 | \$625.00 |
| May 1, 2023 | \$625.00 |
| June 1, 2023 | \$625.00 |
| July 1, 2023 | \$625.00 |

The payments shall be made by checks from the general account, cashier's check or money order payable to Treasurer, State of Ohio and mailed to:

Ohio Attorney General, Charitable Law Section
Attn: Chief Accountant
150 E. Gay St., 23rd Floor
Columbus, Ohio 43215

**SETTLEMENT AGREEMENT
AMERICAN LEGION #675**

The Attorney General shall deposit all funds paid under this SETTLEMENT AGREEMENT, and shall redistribute these funds to AL Ohio Charities (EIN 02-0692968). In the event that circumstances outside the control of the Attorney General preclude redistribution of the funds to AL Ohio Charities, the funds shall be redistributed at the discretion of the Attorney General.

- B. If AL #675 fails to comply with the payment requirements above, the Attorney General shall certify the unpaid balance of the payment to the Ohio Attorney General's Collections Enforcement Section ("Collections") for collection. In the event of certification, AL #675 agrees 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 Ohio Revised Code Section 131.02(D). Nothing in this paragraph should be construed to limit the Attorney General's discretion to pursue any other available remedy;
- C. AL #675 agrees that all money used to fulfill the terms of this SETTLEMENT AGREEMENT shall come exclusively from AL #675's general operating account;
- D. AL #675 agrees that the payments made to fulfill the terms of this SETTLEMENT AGREEMENT are charitable distributions for sales during bingo fiscal year 2015, 2016 and 2017 and will not be counted as a charitable distribution for any other bingo fiscal year;
- E. AL #675 agrees that from the period beginning August 1, 2018 through bingo fiscal year ending October 31, 2023, it shall make all charitable distributions required under Ohio law and its contract(s) with AL Ohio Charities (and any other charity) no less frequently than on a quarterly basis and provide a photocopy of all cancelled checks showing the distributions made to AL Ohio Charities (and any other charity) to the address conditions contained in Paragraph A above, Attn: Bingo Compliance Administrator according to the following schedule:

| Quarterly Timeframe (August 1, 2018 through October 31, 2023) | Date by Which You Must Distribute the Required Percentage to Charity(ies) | Date by Which you Must Send the Cancelled Check(s) to the AG |
|--|--|---|
| August 1 to October 31 | November 10 | December 31 |
| November 1 to January 31 | February 10 | March 31 |
| February 1 to April 30 | May 10 | June 30 |
| May 1 to July 31 | August 10 | September 30 |

- F. AL #675 agrees that none of the money to be paid under this SETTLEMENT AGREEMENT shall be remitted by AL Ohio Charities to AL #675;
- G. AL #675 agrees that for the current bingo fiscal year and all subsequent years that all bingo gross profit will be deposited into the checking account devoted exclusively to the bingo game;
- H. AL #675 agrees that the primary bingo operator, bingo records custodian, and at least one other bingo volunteer shall attend Bingo School no later than January 31, 2019. The individuals attending bingo school shall be those identified on AL #675's most recent bingo

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AMERICAN LEGION #675


license application or as modified. Although attendance at Bingo School is free, participants must register in advance by calling (614) 466-3180;

- I. AL #675 agrees that if it fails to comply with any requirements in Paragraphs A through H above, AL #675 shall surrender its Charitable Bingo License and/or Charitable Bingo Temporary Permit to the Attorney General as well as request, in writing, the withdrawal of any Charitable Bingo License Applications it has pending or refrain from initiating an application for a 2019's Charitable Bingo License;
- J. AL #675 agrees that in the event that the conditions contained in paragraph I above result in AL #675 not having a current bingo license, AL #675 shall not make application for a Charitable Bingo License until such time that AL #675 can prove that it has satisfied all charitable distribution requirements both under this SETTLEMENT AGREEMENT, under its contracts with any charities, and as required by Ohio law;
- K. AL #675 agrees that fulfilling the terms of this SETTLEMENT AGREEMENT in no way negates its current contractual obligations to its contracted charity or its successor(s);
- L. AL #675 agrees to comply with all state and federal laws relating to charitable gaming, and to fully cooperate with all state and federal authorities conducting investigations of AL #675's charitable gaming operations;
- M. AL #675 agrees to fully abide by the requirements of R.C. 2915 et seq., and any Ohio Administrative Code rules adopted thereunder;
- N. AL #675 agrees to fully abide by the requirements of R.C. 1716 et seq. (the Ohio Charitable Organizations Act), and any Ohio Administrative Code rules adopted thereunder;
- O. AL #675 agrees to fully abide by the requirements of R.C. 109.23-109.33 (the Charitable Trust Act), and any Ohio Administrative Code rules adopted thereunder;
- P. In return for execution of and compliance with this SETTLEMENT AGREEMENT, the Attorney General will not consider the facts stated above when issuing charitable bingo licenses to AL #675 in the future unless AL #675 fails to comply with any provision of this SETTLEMENT AGREEMENT. In that event, the Attorney General may consider the facts giving rise to this SETTLEMENT AGREEMENT when determining whether to issue or deny future bingo licenses to AL #675 and may move to revoke, suspend, or deny AL #675's Charitable Bingo License or application based on those facts;
- Q. AL #675 agrees that any evidence of a violation of this SETTLEMENT AGREEMENT shall be *prima facie* evidence of AL #675's violation of the applicable laws related to charitable gaming, R.C. 2915 et seq., R.C. 1716 et seq., R.C. 109.23-109.33, or any Ohio Administrative Code rules adopted thereunder, in any subsequent action or proceeding brought by the Attorney General;
- R. This SETTLEMENT AGREEMENT is binding upon the parties, any and all successors, assigns, subsidiaries, agents, employees, or representatives of the parties or any other affiliates. Any breach of this SETTLEMENT AGREEMENT by AL #675 will discharge the Attorney General from any obligations under the terms of this SETTLEMENT AGREEMENT, but will not discharge AL #675 from any obligation it has under this SETTLEMENT AGREEMENT;

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- S. By signing this SETTLEMENT AGREEMENT, the Attorney General is not waiving any rights he has to conduct further investigations of AL #675 and to take action against AL #675 for further violations of R.C. 2915 et seq., R.C. 1716 et seq., R.C. 109.23-33, or any Ohio Administrative Code rules adopted thereunder; or to take action for other charitable distribution arrearages;
- T. The parties have read and understand this SETTLEMENT AGREEMENT and have entered into the same knowingly, voluntarily, and with the opportunity to gain advice of counsel; and
- U. This SETTLEMENT AGREEMENT is entered into by both parties and may be executed in counterparts or facsimiles, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. It shall be considered binding and effective upon the date of the last signature of all requisite parties and individuals.

The parties to this SETTLEMENT AGREEMENT have either executed it or caused it to be executed by their duly authorized representatives as evidenced by the signatures below:

AL #675

Date 7/25/18

By: DEL BAKER (Print Name)
Its: FINANCE OFFICER (Organizational Title)

OHIO ATTORNEY GENERAL MIKE DEWINE

By: 
Peter M. Thomas
Section Chief, Charitable Law Section
Date 8-14-18



AMENDED SETTLEMENT AGREEMENT

This AMENDED SETTLEMENT AGREEMENT is made by and between American Legion #675 (“AL #675”), 228 Obell Ct. Dayton, Ohio 45409, and the Attorney General of Ohio (“Attorney General”), for the purpose of resolving issues regarding AL #675’s charitable bingo operations. Together, the Attorney General and AL #675 are referred to hereinafter as “the parties.”

1. WHEREAS, the Attorney General is responsible for the administration and enforcement of Ohio Revised Code Section 2915 (“ORC 2915 *et seq.*”), and the Ohio Administrative Code rules adopted thereunder, which regulate the conduct of charitable bingo in the State of Ohio;
2. WHEREAS, the Attorney General is responsible for the enforcement of Ohio Revised Code Section 1716 (“ORC 1716 *et seq.*”), and the Ohio Administrative Code rules adopted thereunder, which requires, 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;
3. WHEREAS, the Attorney General is responsible for the enforcement of Ohio Revised Code Section 109 (“ORC 109.23-33”), and the Ohio Administrative Code rules adopted thereunder, and, in particular, ORC 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”;
4. WHEREAS, AL #675 held a charitable bingo license during bingo fiscal year 2015, 2016 and 2017 (November 1, 2014 – October 31, 2017) and represented to have a contract with American Legion Department of Ohio Charities (“AL Ohio Charities”) to distribute to them at least twenty-five percent (25%) of the net profit from charitable bingo operations;
5. WHEREAS, AL #675 had a charitable distribution arrearage to AL Ohio Charities of \$14,590.56 (fourteen thousand five hundred ninety dollars and fifty six cents) for bingo fiscal year 2015 an additional arrearage of \$11,505.16 (eleven thousand five hundred five dollars and sixteen cents) for bingo fiscal year 2016, and an additional arrearage of \$11,517.59 (eleven thousand five hundred seventeen dollars and fifty nine dollars) for bingo fiscal year 2017 for a total arrearage amount of \$37,613.31 (thirty seven thousand six hundred thirteen dollars and thirty one cents);

AMENDED SETTLEMENT AGREEMENT
AMERICAN LEGION #675

6. WHEREAS, AL #675 has not filed the 2018 trustee's annual report to the Attorney General as required under ORC 109.31, which was due March 15, 2019, at the latest.
7. WHEREAS, AL #675 entered into a settlement agreement with this office on July 25, 2018 for failure to distribute the net profit as noted above in paragraph 5;
8. WHEREAS, the Internal Revenue Service revoked AL #675's 501(c)(19) tax exempt status on September 15, 2017.
9. WHEREAS, AL #675 did not submit a 2019 Charitable Bingo Application, admitted they are not currently conducting bingo, and are unable to pay their owed charitable distributions as noted above in paragraph 5; and
10. WHEREAS, AL #675 requested to amend the monthly settlement arrangement amount requested in the executed settlement agreement noted in paragraph 7 above.

NOW THEREFORE, in consideration of the mutual promises herein expressed, and with intent to be legally bound, the parties agree as follows:

- A. AL #675 shall pay the sum of \$37,613.31 (thirty seven thousand six hundred thirteen dollars and thirty one cents) in 60 monthly installments to the Ohio Attorney General's Charitable Law Section. The initial payment of \$738.31 is due on the first day of the fourth month following the issuance of the next Charitable Bingo License. The remaining 59 payments of \$625.00 are due on the first of each month thereafter.

The payments shall be made by checks from the general account, cashier's check or money order payable to Treasurer, State of Ohio and mailed to:

Ohio Attorney General, Charitable Law Section
Attn: Chief Accountant
150 E. Gay St., 23rd Floor
Columbus, Ohio 43215

The Attorney General shall deposit all funds paid under this AMENDED SETTLEMENT AGREEMENT, and shall redistribute these funds to AL Ohio Charities (EIN 02-0692968). In the event that circumstances outside the control of the Attorney General preclude redistribution of the funds to AL Ohio Charities, the funds shall be redistributed at the discretion of the Attorney General.

- B. If AL #675 fails to comply with the payment requirements above, the Attorney General shall certify the unpaid balance of the payment to the Ohio Attorney General's Collections Enforcement Section ("Collections") for collection. In the event of certification, AL #675 agrees 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

AMENDED SETTLEMENT AGREEMENT
 AMERICAN LEGION #675

and the use of Special Counsel for the collection of the debt. Interest shall also be charged upon certification in accordance with Ohio Revised Code Section 131.02(D). Nothing in this paragraph should be construed to limit the Attorney General's discretion to pursue any other available remedy;

- C. AL #675 agrees that all money used to fulfill the terms of this AMENDED SETTLEMENT AGREEMENT shall come exclusively from AL #675's general operating account;
- D. AL #675 agrees that the payments made to fulfill the terms of this AMENDED SETTLEMENT AGREEMENT are charitable distributions for sales during bingo fiscal year 2015, 2016 and 2017 and will not be counted as a charitable distribution for any other bingo fiscal year;
- E. AL #675 agrees to submit the 2018 trustee's annual report to the Attorney General along with any applicable fees and late fees by July 1, 2019;
- F. For 2 years after a Charitable Bingo License is issued, AL #675 agrees, it shall make all charitable distributions required under Ohio law and its contract(s) with AL Ohio Charities (and any other charity) no less frequently than on a quarterly basis and provide a photocopy of all cancelled checks showing the distributions made to AL Ohio Charities (and any other charity) to the address conditions contained in Paragraph A above, Attn: Bingo Compliance Administrator according to the following schedule:

| Quarterly Timeframe | Date by Which You Must Distribute the Required Percentage to Charity(ies) | Date by Which you Must Send the Cancelled Check(s) to the AG |
|----------------------------|--|---|
| November 1 to January 31 | February 10 | March 31 |
| February 1 to April 30 | May 10 | June 30 |
| May 1 to July 31 | August 10 | September 30 |
| August 1 to October 31 | November 10 | December 31 |

- G. AL #675 agrees that none of the money to be paid under this AMENDED SETTLEMENT AGREEMENT shall be remitted by AL Ohio Charities to AL #675;
- H. AL #675 agrees that the primary bingo operator, bingo records custodian and at least one other bingo volunteer shall attend Bingo School within 120 days after a Charitable Bingo License is issued. The individuals attending bingo school shall be those identified on AL #675's most recent bingo license application or as modified. Although attendance at Bingo School is free, participants must register in advance by calling (614) 466-3180;
- I. AL #675 agrees that if it fails to comply with any requirements in Paragraphs A through H above, AL #675 shall surrender its Charitable Bingo License and/or Charitable Bingo Temporary Permit to the Attorney General as well as request, in writing, the withdrawal of any Charitable Bingo License Applications it has pending or refrain from initiating a Charitable Bingo License;


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- J. AL #675 agrees that in the event that the conditions contained in paragraph I above result in AL #675 not having a current bingo license, AL #675 shall not make application for a Charitable Bingo License until such time that AL #675 can prove that it has satisfied all charitable distribution requirements both under this AMENDED SETTLEMENT AGREEMENT, under its contracts with any charities, and as required by Ohio law;
- K. AL #675 agrees that fulfilling the terms of this AMENDED SETTLEMENT AGREEMENT in no way negates its current contractual obligations to its contracted charity or its successor(s);
- L. AL #675 agrees to comply with all state and federal laws relating to charitable gaming, and to fully cooperate with all state and federal authorities conducting investigations of AL #675's charitable gaming operations;
- M. AL #675 agrees to fully abide by the requirements of ORC 2915 *et seq.*, and any Ohio Administrative Code rules adopted thereunder;
- N. AL #675 agrees to fully abide by the requirements of ORC 1716 *et seq.* (the Ohio Charitable Organizations Act), and any Ohio Administrative Code rules adopted thereunder;
- O. AL #675 agrees to fully abide by the requirements of ORC 109.23-109.33 (the Charitable Trust Act), and any Ohio Administrative Code rules adopted thereunder;
- P. In return for execution of and compliance with this AMENDED SETTLEMENT AGREEMENT, the Attorney General will not consider the facts stated above when issuing charitable bingo licenses to AL #675 in the future unless AL #675 fails to comply with any provision of this AMENDED SETTLEMENT AGREEMENT. In that event, the Attorney General may consider the facts giving rise to this AMENDED SETTLEMENT AGREEMENT when determining whether to issue or deny future bingo licenses to AL #675 and may move to revoke, suspend, or deny AL #675's Charitable Bingo License or application based on those facts;
- Q. AL #675 agrees that any evidence of a violation of this AMENDED SETTLEMENT AGREEMENT shall be *prima facie* evidence of AL #675's violation of the applicable laws related to charitable gaming, ORC 2915 *et seq.*, ORC 1716 *et seq.*, ORC 109.23-109.33, or any Ohio Administrative Code rules adopted thereunder, in any subsequent action or proceeding brought by the Attorney General;
- R. This AMENDED SETTLEMENT AGREEMENT is binding upon the parties, any and all successors, assigns, subsidiaries, agents, employees, or representatives of the parties or any other affiliates. Any breach of this AMENDED SETTLEMENT AGREEMENT by AL #675 will discharge the Attorney General from any obligations under the terms of this AMENDED SETTLEMENT AGREEMENT, but will not discharge AL #675 from any obligation it has under this AMENDED SETTLEMENT AGREEMENT;

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- S. By signing this AMENDED SETTLEMENT AGREEMENT, the Attorney General is not waiving any rights he has to conduct further investigations of AL #675 and to take action against AL #675 for further violations of ORC 2915 *et seq.*, ORC 1716 *et seq.*, ORC 109.23-33, or any Ohio Administrative Code rules adopted thereunder; or to take action for other charitable distribution arrearages;
- T. The parties have read and understand this AMENDED SETTLEMENT AGREEMENT and have entered into the same knowingly, voluntarily, and with the opportunity to gain advice of counsel; and
- U. This AMENDED SETTLEMENT AGREEMENT is entered into by both parties and may be executed in counterparts or facsimiles, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. It shall be considered binding and effective upon the date of the last signature of all requisite parties and individuals.

The parties to this AMENDED SETTLEMENT AGREEMENT have either executed it or caused it to be executed by their duly authorized representatives as evidenced by the signatures below:

AL #675 
_____ Date 10/11/19

By: DEL BAKER (Print Name)
Its: FINANCE OFFICER (Organizational Title)

OHIO ATTORNEY GENERAL DAVE YOST

By: 
Daniel W. Fausey
Section Chief, Charitable Law Section Date 11/29/19