

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION

THE PEOPLE OF THE STATE OF ILLINOIS *ex rel.*
LISA MADIGAN, Attorney General of Illinois,

Plaintiff,

vs.

No.

CENTER FOR AIDS PREVENTION, INC., an Illinois
not-for-profit corporation, and MORRELL S. NEELY,

Defendants.

09CH25140

VERIFIED COMPLAINT FOR AN INJUNCTION, AN ACCOUNTING,
JUDICIAL DISSOLUTION, AND OTHER EQUITABLE RELIEF

NOW COMES the Plaintiff, the PEOPLE OF THE STATE OF ILLINOIS *ex rel.* LISA
MADIGAN, Attorney General of Illinois, and complains of Defendants CENTER FOR AIDS
PREVENTION, INC., an Illinois not-for-profit corporation, and MORRELL S. NEELY, and states as
follows:

GENERAL ALLEGATIONS / PARTIES

1. This cause is brought for and on behalf of the PEOPLE OF THE STATE OF ILLINOIS by and
through the Attorney General of Illinois pursuant to Article 12 of the General Not For Profit Corporation
Act of 1986 (805 ILCS 105/112 *et seq.*), the Solicitation For Charity Act (225 ILCS 0.01 *et seq.*), and her
common law power and duty to protect the interests of THE PEOPLE OF THE STATE OF ILLINOIS,
as ultimate beneficiaries, in matters pertaining to charitable organizations and the integrity of charitable
assets and funds solicited and collected for charitable purposes.

2. The PEOPLE OF THE STATE OF ILLINOIS are the ultimate beneficiary or *cestui que trust* of
all Illinois charitable assets and property, and the Attorney General, in her capacity as the legal

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COUNTY ILLINOIS
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representative of the PEOPLE OF ILLINOIS, has the common law power and duty to protect the interests of the PEOPLE OF ILLINOIS in all such property, including by any legal proceedings.

3. Defendant CENTER FOR AIDS PREVENTION, INC. (hereinafter "CFAP") is an Illinois not-for-profit corporation originally incorporated on June 8, 1987 with the Illinois Secretary of State for exclusively charitable purposes. (Attached hereto and incorporated herein by reference as Exhibit "A" is a copy of CFAP's Articles of Incorporation.)

4. At all relevant times, Defendant CFAP has been exempt from taxation under Section 501(c)(3) of the Internal Revenue Code and is an exclusively charitable organization, and CFAP holds its assets exclusively for charitable purposes.

5. At all relevant times, Defendant CFAP has solicited and collected contributions from the public via the internet website "www.centerforaidsprevention.org." In addition, beginning in at least May 2009 and continuing through the present, CFAP has been soliciting contributions in Illinois by placing advertisements on, among other things, the websites of Chicago-area newspapers, including but not limited to the Chicago Tribune and the Daily Herald.

6. As a consequence of the foregoing, Defendant CFAP is, and was at all times relevant hereto, a "charitable organization" as that term is defined in Section 1(a) of the Solicitation For Charity Act (225 ILCS 460/1(a)).

7. At all relevant times, Defendant MORRELL S. NEELY (hereinafter "NEELY") has been the President and a member of the Board of Directors of Defendant CFAP and the natural person responsible

for the acts and practices of CFAP as hereinafter alleged.

8. On or about August 14, 1987, Defendants CFAP and NEELY filed with the Attorney General a Charitable Organization Registration Statement for CFAP and from on or about August 14, 1987 through October 27, 1987, Defendant CFAP was registered with the Attorney General as a "charitable organization" as required under Section 2 of the Solicitation For Charity Act (225 ILCS 460/2). (Attached hereto and incorporated herein by reference as Exhibit "B" is a copy of Defendant CFAP's Charitable Organization Registration Statement filed with the Attorney General on or about August 14, 1987.)

9. On or about October 27, 1987, Defendant CFAP's registration as a "charitable organization" under the Solicitation For Charity Act was cancelled after it was discovered that Defendant CFAP had failed to submit proper registration materials, and Defendant CFAP has never re-registered. (Attached hereto and incorporated herein by reference as Exhibit "C" is a copy of the Attorney General's October 27, 1987 cancellation notification letter sent to CFAP. Also see Exhibit "B" at page 2, question 14.)

10. On or about November 1, 1988, the Illinois Secretary of State issued a Certificate of Dissolution dissolving CFAP as an Illinois not-for-profit corporation pursuant to Section 112.40 of the General Not For Profit Corporation Act of 1986 (805 ILCS 105/112.40) after CFAP failed to file an annual report with the Secretary of State as required by said Act, and CFAP remained dissolved for almost 19 years. (Attached hereto and incorporated herein by reference as Exhibit "D" is a copy of said November 1, 1988 Certificate of Dissolution.)

11. On or about September 12, 2007, Defendant NEELY filed with the Illinois Secretary of State an Application For Reinstatement to reinstate CFAP as an Illinois not-for-profit corporation. Said Application For Reinstatement was signed by Defendant NEELY under penalty of perjury and stated, among other things, in response to Item 4 thereon, as follows:

"4. Name and Address of Registered Agent and Illinois Registered Office upon reinstatement:
Registered Agent: Morrell S. Neely

First Name	Middle Name	Last Name
Registered Office: <u>4750 N. Broadway #301</u>		
Number	Street	Suite # (P.O. Box alone in unacceptable)
<u>Chicago 60640</u>		
City	ZIP Code	County

(Attached hereto and incorporated herein by reference as Exhibit "E" is a copy of Defendant CFAP's Application For Reinstatement filed with the Illinois Secretary of State on or about September 12, 2007.)

12. In addition, on or about October 29, 2008, Defendant NEELY filed with the Illinois Secretary of State CFAP's 2008 annual report. Like CFAP's Application For Reinstatement (Exhibit "E"), CFAP's 2008 annual report was signed by Defendant NEELY under penalty of perjury, identified CFAP's registered agent as Defendant NEELY, and identified CFAP's registered address as 4750 N. Broadway Street, Suite 301, Chicago, Illinois 60640 (hereinafter the "Broadway Street Address"). (Attached hereto and incorporated herein by reference as Exhibit "F" is a copy of CFAP's 2008 Annual Report filed with the Illinois secretary of state on or about October 29, 2008.)

13. Although Defendant NEELY and CFAP filed multiple documents with the Illinois Secretary of State, including CFAP's Application For Reinstatement (Exhibit "E") and CFAP's 2008 annual report, which stated under penalty of perjury that NEELY was CFAP's Illinois registered agent and that CFAP's registered office was located at the Broadway Street Address, at the time said documents were filed,

neither Defendant NEELY nor Defendant CFAP maintained any office at the Broadway Street Address.

14. In fact, since at least November 2007 through the present, Defendant NEELY has been a California resident residing in Riverside California, and CFAP has been physically located in Beverly Hills, California and has had no registered office in Illinois whatsoever.

15. On or about May 12, 2009, Defendants CFAP and NEELY entered into a 30-day advertising contract to solicit contributions in Illinois on behalf of CFAP, including but not limited to on the websites of the Chicago Tribune and the Daily Herald, despite the fact that CFAP was not registered with the Attorney General as a "charitable organization" as required under the Solicitation For Charity Act. (Attached hereto and incorporated herein by reference as Exhibit "G" is a copy of said May 12, 2009 advertising agreement signed by Defendant NEELY as President of CFAP.)

16. In addition, during the period from May 13, 2009 through June 13, 2009, Defendants CFAP and NEELY actually solicited contributions in Illinois on behalf of CFAP, including but not limited to on the website of the Chicago Tribune, despite the fact that CFAP was not registered with the Attorney General as a "charitable organization" as required under the Solicitation For Charity Act. (Attached hereto and incorporated herein by reference as Exhibit "H" is a copy of a May 27, 2009 printout of the Chicago Tribune website homepage containing an advertisement for CFAP.)

JURISDICTION AND VENUE

17. The Plaintiff is the PEOPLE OF THE STATE OF ILLINOIS. Defendant CFAP is an Illinois not-for-profit corporation. In addition, both Defendants CFAP and NEELY have conducted business in Illinois to solicit and collect charitable contributions from the Illinois public, as aforesaid. Therefore, this

Court has jurisdiction over the parties and over the subject matter of this action.

18. The list of registrations of charitable organizations required to be registered under the Solicitation For Charity Act, 225 ILCS 460/1 *et seq.*, is accepted and maintained by the Attorney General in her office in Chicago, Cook County, Illinois. As such, venue of this action is proper in Cook County, Illinois pursuant to Section 5 of the Solicitation For Charity Act. (225 ILCS 460/5.)

COUNT I
JUDICIAL DISSOLUTION OF CENTER FOR AIDS PREVENTION

1-18. The Plaintiff hereby repeats and re-alleges Paragraphs 1-18 of this Complaint as Paragraphs 1-18 of Count I, and incorporates the same by reference as though fully set forth herein.

19. This Count is brought for and on behalf of the PEOPLE OF THE STATE OF ILLINOIS by and through the Attorney General of Illinois pursuant to Article 12 of the General Not For Profit Corporation Act of 1986 (805 ILCS 105/112 *et sec.*), as well as her common law power and duty to protect the interests of THE PEOPLE OF THE STATE OF ILLINOIS in matters pertaining to charitable organizations and the integrity of charitable assets and charitable organizations.

20. The Plaintiff, by this Count, seeks the judicial dissolution of Defendant CFAP as an Illinois not-for-profit corporation and to protect and safeguard all assets and property solicited and collected by Defendant CFAP in Illinois pursuant to their charitable solicitations as set forth above by and through the appointment of a receiver to hold, marshal, manage and protect said charitable assets.

21. As previously set forth above, Defendant CFAP was administratively dissolved as an Illinois not-

for-profit corporation on or about November 1, 1988 (see Exhibit "D") and CFAP remained dissolved until September 2007 when Defendant NEELY filed with the Illinois Secretary of State an Application For Reinstatement on CFAP's behalf, which was signed by Defendant NEELY under penalty of perjury but which contained materially false information relating to CFAP's registered office (see Exhibit "E").

22. In addition, since September 2007, CFAP's certificate of incorporation remained in "good standing" only because Defendant NEELY filed with the Illinois Secretary of State CFAP's 2008 Annual Report which was signed by Defendant NEELY under penalty of perjury but which contained materially false statements relating to CFAP's registered agent and CFAP's registered office (see Exhibit "F").

23. As set forth above, since at least November 2007 through the present, Defendant NEELY has been a California resident residing in Riverside California, and CFAP has been physically located in Beverly Hills, California and has had no registered office in Illinois whatsoever.

24. Section 112.50(a) of the General Not For Profit Corporation Act of 1986 provides in pertinent part as follows:

Sec. 112.50. Grounds for judicial dissolution. A Circuit Court may dissolve a corporation:

(a) In an action by the Attorney General, if it is established that:

(1) The corporation obtained its certificate of incorporation through fraud.

(805 ILCS 105/112.50)

25. In addition, Section 112.65 of the General Not For Profit Corporation Act of 1986 provides:

Sec. 112.65. Order of dissolution. (a) If, after a hearing, the court determines that one or more grounds for judicial dissolution described in Section 112.50 of this Act exists, it may enter an order dissolving the corporation and the clerk of the court shall deliver a certified copy of the order to the Secretary of State, who shall file the order, and to the Recorder of the county in which the registered office of the corporation

is located, who shall record the order.

(b) After entering the order of dissolution, the court shall direct the winding up and liquidation of the corporation's affairs in accordance with Sections 112.16 and 112.30 of this Act and the notification of its known claimants in accordance with Section 112.75 of this Act and shall retain jurisdiction until the same is complete.

(805 ILCS 105/112.65)

26. As a consequence of filing CFAP's Application For Reinstatement (Exhibit "E") and CFAP's 2008 Annual Report (Exhibit "F") with the Illinois Secretary of State containing materially false information as aforesaid, CFAP's certificate of incorporation was obtained through fraud and the Attorney General therefore seeks to have Defendant CFAP judicially dissolved pursuant to Sections 112.50(a) and 112.65 of the General Not For Profit Corporation Act of 1986.

27. Section 112.60 of the General Not For Profit Corporation Act of 1986 provides in pertinent part as follows:

Sec. 112.60. (d) The circuit court in an action for judicial dissolution may issue injunctions, appoint an interim receiver with such powers and duties as the court, from time to time, may direct, and take such other action as is necessary or desirable to preserve the corporate assets and carry on the affairs of the corporation until a full hearing can be had.

(e) Upon a hearing and after finding that grounds for judicial dissolution exist ... the court may appoint a liquidating receiver or receivers with authority to collect the assets of the corporation, including all amounts owing to the corporation by members...

(f) The assets of the corporation or the proceeds resulting from a sale, conveyance, or other disposition thereof shall be applied and distributed as follows:

(1) All costs and expenses of the court proceedings and all liabilities and obligations of the corporation shall be paid, satisfied and discharged, or adequate provision shall be made therefor;

(2) Assets held by the corporation upon condition requiring return, transfer or conveyance, which condition occurs by reason of the dissolution or liquidation, shall be returned, transferred or conveyed in accordance with such requirements;

(3) Assets held for a charitable, religious, eleemosynary, benevolent, educational or similar use... shall be transferred or conveyed to one or more ... corporations, societies or organizations engaged in activities substantially similar to those of the dissolving or liquidating corporation as the court may direct...

(805 ILCS 105/112.60(d), 112.60(e), and 112.60(j).)

28. All property of Defendant CFAP, including but not limited to any and all monies collected and held by Defendant CFAP in response to the Defendants' Illinois charitable solicitation campaign as alleged herein is charitable property and is impressed with a charitable trust by operation of law. As such, pursuant to Section 112.60 of the General Not For Profit Corporation Act of 1986, Plaintiff requests that (a) a receiver be appointed to protect and conserve the assets of CFAP until further order of the Court and (b) all said property and assets be transferred to one or more Illinois charitable organization(s) engaged in *bona fide* charitable activities similar to those set forth in Defendant CFAP's articles of incorporation.

WHEREFORE, Plaintiff the PEOPLE OF THE STATE OF ILLINOIS *ex rel.* LISA

MADIGAN, Attorney General of Illinois, prays that this Honorable Court enter an Order:

- A. Pursuant to Sections 112.50(a) and 112.65 of the General Not For Profit Corporation Act of 1986 (805 ILCS 105/112.50(a) and 105/112.65):
 1. Finding that Defendant CENTER FOR AIDS PREVENTION, INC. obtained its certificate of incorporation through fraud; and
 2. Declaring Defendant CENTER FOR AIDS PREVENTION, INC. to be judicially dissolved;
- B. Pursuant to Sections 112.60 of the General Not For Profit Corporation Act of 1986 (805 ILCS 105/112.60):
 1. Directing Defendant CENTER FOR AIDS PREVENTION, INC. and its officers and directors, including but not limited to Defendant MORRELL S. NEELY, to make a strict accounting of all CENTER FOR AIDS PREVENTION, INC. assets, receipts, expenses and disbursements from all funds raised, collected and/or promised as a result of the Defendants' solicitations as alleged herein;

2. Declaring that all contributions received by Defendant CENTER FOR AIDS PREVENTION, INC. as a result of the Defendants' solicitations as alleged herein are held in constructive trust for the benefit of the PEOPLE OF ILLINOIS as the ultimate beneficiaries of charity and that such monies should be transferred to one or more Illinois charitable organization(s) engaged in *bona fide* charitable activities similar to those set forth in Defendant CFAP's articles of incorporation;
3. Temporarily restraining and preliminarily and permanently enjoining Defendants CENTER FOR AIDS PREVENTION, INC. and MORRELL S. NEELY, and all persons acting in concert or participation with them, whether by contract or otherwise, from:
 - a) Soliciting, receiving or holding assets for any charitable or ostensibly charitable purpose or on behalf of any Illinois-based charitable or ostensibly-charitable trust or entity, and from acting in any fiduciary capacity with respect to charitable assets;
 - b) Disbursing, transferring, expending, or liquidating any funds, assets, bank accounts or depository accounts without court approval, and freezing all such funds, assets and accounts; and
 - c) Transferring, selling or encumbering any assets or property until the resolution of this cause; and
4. Removing Defendant CENTER FOR AIDS PREVENTION, INC. and its officers and directors, including but not limited to Defendant MORRELL S. NEELY, as trustees and/or custodians of all solicited charitable assets of CENTER FOR AIDS PREVENTION, INC. they may hold, and naming replacement Trustees and/or a

Receiver in their stead to identify, locate, collect and marshal all such assets, and/or transferring all such charitable assets to one or more Illinois charitable organization(s) engaged in *bona fide* charitable activities similar to those set forth in Defendant CFAP's articles of incorporation;

- C. Requiring Defendant CENTER FOR AIDS PREVENTION, INC. to pay the costs incurred in the investigation and prosecution of this cause; and
- D. Granting such other and further relief as this Court deems just and equitable under the circumstances of this cause.

COUNT II

FAILURE TO MAINTAIN REGISTRATION OF CENTER FOR AIDS PREVENTION, INC. IN VIOLATION OF THE SOLICITATION FOR CHARITY ACT

1-28. The Plaintiff hereby repeats and re-alleges Paragraphs 1-28 of Count I of this Complaint as Paragraphs 1-28 of Count II, and incorporates the same by reference as though fully set forth herein.

29. At all relevant times hereto there was in existence and effect in Illinois a statute governing the solicitation and collection of funds for charitable purposes in the State of Illinois, namely the Solicitation For Charity Act (225 ILCS 460/1 *et seq.*) (hereafter the "Solicitation Act").

30. With certain limited exceptions set forth in the Act which are not relevant here, Section 2 of the Solicitation Act requires all charitable organizations which solicit or intend to solicit funds from the public in or from the State of Illinois to register with the Illinois Attorney General prior to conducting any solicitations. Section 2(a) provides in pertinent part:

Every charitable organization, except as otherwise provided in Section 3 of this Act [225 ILCS 460/3], which solicits or intends to solicit contributions from persons in this State or which is located in this State, by any

means whatsoever shall, prior to any solicitation, file with the Attorney General upon forms prescribed by him, a registration statement

(225 ILCS 460/2(a).)

31. As previously alleged, Defendant CFAP was registered with the Attorney General as a charitable organization from on or about August 14, 1987 through October 27, 1987, and Defendant CFAP's registration under the Solicitation Act was cancelled on October 27, 1987, and Defendant CFAP has never re-registered.

32. As previously alleged, beginning on at least May 13, 2009 and continuing through at least June 13, 2009, CFAP and NEELY solicited contributions in Illinois on behalf of CFAP by placing advertisements on, among other things, the websites of Chicago-area newspapers, including but not limited to the Chicago Tribune and the Daily Herald (see Exhibits "G" and "H").

33. Despite soliciting for charitable purposes as set forth above, Defendants CFAP and NEELY never registered CFAP as a charitable organization with the Illinois Attorney General prior to soliciting, and therefore they have each failed to comply with Section 2(a) of the Solicitation Act in violation of Illinois law.

34. Section 2(i) of the Solicitation Act provides:

Sec. 2(i) If a person, organization, or trustee fails to register or if registration is cancelled as provided in this Act, the person, organization, or trustee is subject to injunction, to removal, to account, and to appropriate other relief before the circuit court exercising chancery jurisdiction. In addition to any other relief granted under this Act, the court shall impose a civil penalty of not less than \$500 nor more than \$1,000 against each and every trustee, organization, and person who fails to register or who fails to maintain a registration required under this Act. The collected penalty funds shall be used for charitable trust enforcement and for providing charitable trust information to the public.

(225 ILCS 460/2(i).)

35. By failing to register CFAP prior to soliciting in Illinois as required by Section 2(a) of the Solicitation Act, Defendants CFAP and NEELY are therefore each subject to injunction, to removal, to account, and to other appropriate relief as provided for in Section 2(i) of the Solicitation Act.

36. In addition, based on the foregoing allegations in this Court, Defendants CFAP and NEELY are subject to the relief provided for in Section 9(c) of the Solicitation Act, which provides in pertinent part as follows:

Whenever the Attorney General shall have reason to believe that any charitable organization ... is operating in violation of the provisions of this Act ... he may bring in the circuit court an action in the name, and on behalf of the people of the State of Illinois against each such charitable organization ... to enjoin such charitable organization ... from continuing such solicitation or collection, or engaging therein or doing any acts in furtherance thereof, or to cancel any registration statement previously filed with the Attorney General.

(f) In any action brought under the provisions of this Act, the Attorney General is entitled to recover costs for the use of this State.

(g) Any person who knowingly violates this Section may be enjoined from such conduct, removed from office, enjoined from acting for charity and subject to punitive damages as deemed appropriate by the circuit court.

(h) Any person who violates this Section shall not be entitled to keep or receive monies, fees, salaries, commissions or any compensation, as a result of the solicitations or fund raising campaigns, and at the request of the Attorney General such monies, fees, salaries, commissions, or any compensation shall be forfeited and subject to distribution to charitable use as a court of equity determines.

(225 ILCS 460/9(c), (f), (g), and (h).)

37. In addition, Section 16(b) of the Solicitation Act provides:

(b) Upon an application to a court of competent jurisdiction, in which the Attorney General alleges that a charitable trust needs to be protected or the trustees of a charitable organization or trust have engaged in a breach of fiduciary duty toward the organization, and he seeks injunctive relief and removal of such trustees, the Court may, as part of the injunctive relief and after a hearing where such trustees shall have an opportunity to be heard, appoint temporarily or permanently a receiver or additional trustees to protect and operate the organization and may temporarily, or as ultimate relief for breach of duty or to protect the trust, permanently remove any charitable organization's trustees, corporate officers, directors and members from office and appoint replacements to protect the public interest.

(225 ILCS 460/16(b).)

38. Any and all monies collected and held by Defendant CFAP in response to the Defendants' charitable solicitation campaign as alleged herein is charitable property and is impressed with a charitable trust by operation of law. As a consequence of Defendants' violations of the Solicitation Act as set forth herein, the charitable trust under which such monies are held is in need of protection.

39. To safeguard and protect the integrity of the charitable assets held by Defendant CFAP as proceeds of charity as aforesaid, Defendants CFAP and NEELY should be removed as charitable trustees and should be temporarily, preliminarily and permanently restrained and enjoined from acting in any fiduciary capacity with respect to charitable assets in Illinois pursuant to Sections 9(c) and 16(b) of the Solicitation Act, and new trustees or a receiver should be appointed by the Court in their stead to identify, locate, collect, marshal, and act as fiduciaries of all CFAP monies and assets solicited and collected by the Defendants pursuant to their charitable solicitations as set forth above, and their fruits and proceeds in whatever form and wherever situated. (225 ILCS 460/9(c) and 16(b).)

34. In addition, Defendants CFAP and NEELY should be made to fully account for all monies and assets solicited and collected as a result of their charitable solicitations as aforesaid, and Defendant CFAP should be surcharged at equity for all such charitable assets that are found to have been misused and/or for which the Defendants are unable to fully account.

35. Plaintiff requests that this Court enter an Order imposing a constructive trust in favor of charity and the PEOPLE OF THE STATE OF ILLINOIS over all remaining collected funds still in the possession of Defendant CFAP. Furthermore, all such funds should be removed from CFAP's custody and should be transferred and directed to one or more *bona fide* charitable organizations organized for purposes similar to those represented by the Defendants to prospective donors.

36. By the conduct of the Defendants as alleged herein, violations of the provisions of the Solicitation Act have occurred, and irreparable harm has occurred and is continuing to occur to charity and to the Plaintiff, the PEOPLE OF THE STATE OF ILLINOIS, for which there is no adequate remedy save in a court of equity.

WHEREFORE, the Plaintiff the PEOPLE OF THE STATE OF ILLINOIS *ex rel.* LISA MADIGAN, Attorney General of Illinois, prays that this Honorable Court enter an Order:

- A. Finding and adjudging that Defendants CENTER FOR AIDS PREVENTION, INC. and MORRELL S. NEELY have each violated the Solicitation For Charity Act (225 ILCS 460/1 *et seq.*);
- B. Directing Defendants CENTER FOR AIDS PREVENTION, INC. and MORRELL S. NEELY to make a strict accounting of all CENTER FOR AIDS PREVENTION, INC. assets, receipts, expenses and disbursements from all funds raised, collected and/or promised as a result of the Defendants' solicitations as alleged herein;
- C. Pursuant to Sections 2(i), 9(c), and 16(b) of the Solicitation Act, temporarily restraining and preliminarily and permanently enjoining Defendants CENTER FOR AIDS PREVENTION, INC. and MORRELL S. NEELY, and all persons acting in concert or participation with them, whether by contract or otherwise, from:
 - 1) Soliciting, receiving or holding assets for any charitable or ostensibly charitable purpose or on behalf of any Illinois-based charitable or ostensibly-charitable trust or entity, including but not limited to CENTER FOR AIDS PREVENTION, INC., and/or from acting in any fiduciary capacity with respect to charitable assets;
 - 2) Disbursing, transferring, expending, or liquidating any funds, assets, bank

accounts or depository accounts without court approval, and freezing all such funds, assets and accounts; and

3) Transferring, selling or encumbering any assets or property until the resolution of this cause;

D. Surcharging Defendants CENTER FOR AIDS PREVENTION, INC. and MORRELL S. NEELY at equity for such amounts of charitable funds as the Court deems to have been misused and/or wasted, plus an additional sum for all assets and monies for which they are unable to fully account, plus interest at market rates through the present;

E. Entering judgment in favor of the Plaintiff and against the Defendants CENTER FOR AIDS PREVENTION, INC. and MORRELL S. NEELY in an amount to be determined by the Court after an accounting;

F. Removing Defendants CENTER FOR AIDS PREVENTION, INC. and MORRELL S. NEELY as trustees and/or custodians of all solicited charitable assets of CENTER FOR AIDS PREVENTION, INC. they may hold, and of the fruits and proceeds of all charitable solicitations conducted by them and/or in their hands pursuant to Section 2(i) and/or 16(b) of the Solicitation Act, and naming replacement Trustees and/or a Receiver in their stead to identify, locate, collect and marshal all such assets, and/or transferring all such assets, under the doctrines of *cy pres* and/or equitable deviation, to one or more Illinois charitable organization(s) engaged in *bona fide* charitable activities similar to those set forth in Defendant CFAP's articles of incorporation;

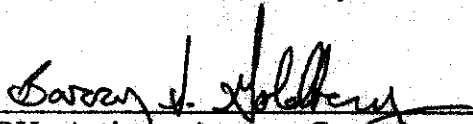
G. Imposing a constructive trust and directing that all CENTER FOR AIDS PREVENTION, INC. funds collected, held or received by Defendant CENTER FOR AIDS PREVENTION, INC. from the Defendants' solicitations as alleged herein, and their fruits

and proceeds, be transferred to one or more Illinois charitable organization(s) engaged in *bona fide* charitable activities similar to those set forth in Defendant CFAP's articles of incorporation;

- H. In addition, imposing a civil penalty of between \$500 and \$1,000 against Defendant CENTER FOR AIDS PREVENTION, INC. and/or Defendant MORRELL S. NEELY pursuant to Section 2(i) of the Solicitation For Charity Act (225 ILCS 460/2(i)), said amounts to be used by the Attorney General of Illinois for charitable trust enforcement and for providing charitable trust information to the public pursuant to said Section;
- I. Requiring Defendants CENTER FOR AIDS PREVENTION, INC. and MORRELL S. NEELY to pay the costs incurred in the investigation and prosecution of this cause, as provided by Section 9(g) of the Solicitation For Charity Act (225 ILCS 460/9(g)); and
- J. Granting such other and further relief as this Court deems just and equitable under the circumstances of this cause.

Respectfully Submitted,

THE PEOPLE OF THE STATE OF ILLINOIS *ex rel.*
LISA MADIGAN, Attorney General of Illinois


BY: Assistant Attorney General

THERESE HARRIS #99000
BARRY S. GOLDBERG
Assistant Attorneys General
Office of the Illinois Attorney General
Charitable Trusts Bureau
100 West Randolph Street, 11th Floor
Chicago, Illinois 60601
Telephone: (312) 814-2595