

**IN THE CIRCUIT COURT OF COLE COUNTY
STATE OF MISSOURI**

STATE OF MISSOURI, ex rel.)
CHRIS KOSTER, Attorney General,)

Plaintiff,)

v.)

Case No. _____

Division No. _____

STRATEGIC GLOBAL)
INITIATIVES, INC.)
414 West 51st Street)
New York, NY 10019)

and)

STOP CHILD TRAFFICKING)
NOW, INC.)
2020 Fieldstone Parkway 900, Ste 112)
Franklin, TN 37069-4369)

Defendants.)

ASSURANCE OF VOLUNTARY COMPLIANCE

Plaintiff, the State of Missouri, at the relation of Attorney General
Chris Koster, and Defendants Strategic Global Initiatives, Inc., and Stop
Child Trafficking Now, Inc., a Tennessee non-profit corporation accept and
agree to the following Assurance of Voluntary Compliance pursuant to
§ 407.030, RSMo.

I. General Findings

PARTIES

1. Plaintiff is the State of Missouri acting by and through Chris Koster, the duly elected, qualified and acting Attorney General of the State of Missouri, who is duly responsible for the enforcement and administration of Missouri law.

2. Defendant Strategic Global Initiatives, Inc. is a New York Not-For-Profit corporation incorporated on March 9, 2007. It conducts business at 414 West 51st Street, New York, NY 10019. At relevant times, it has been recognized by the Internal Revenue Service as exempt from taxation pursuant to § 501(c)(3) of the Internal Revenue Code. Both before and on September 17, 2011, Strategic Global Initiatives, Inc. did business under name of Stop Child Trafficking Now, Inc. Strategic Global Initiatives, Inc. is no longer doing business under this name.

3. Defendant Stop Child Trafficking Now, Inc. is a Tennessee Nonprofit corporation incorporated on December 9, 2011. Its business address is 2020 Fieldstone Parkway, Suite 900 #112, Franklin, Tennessee 37069. It was recognized by the Internal Revenue Service as exempt from taxation pursuant to § 501(c)(3) of the Internal Revenue Code on January 19, 2012.

4. Both before and on September 17, 2011, one of Strategic Global Initiatives, Inc.'s charitable purposes was combating child sex trafficking. Strategic Global Initiatives, Inc. no longer asserts combating child sex trafficking as one of its charitable purposes. Stop Child Trafficking Now, Inc. asserts combating child sex trafficking as one of its charitable purposes. In connection with this purpose, both groups funded investigations and reports conducted by a third-party independent contractor, Global Trident, and they engaged in activities designed to raise public awareness of the problems of child sex trafficking.

JURISDICTION AND VENUE

5. The Circuit Court of Cole County has subject matter jurisdiction over Strategic Global Initiatives, Inc. in this matter pursuant to Article V of the Missouri Constitution, the Missouri Merchandising Practices Act (§ 407.010, RSMo *et seq.*), and, specifically, § 407.030, RSMo 2010¹, under which it is authorized to enter a judgment approving this Assurance of Voluntary Compliance. Stop Child Trafficking Now, Inc. asserts that this Court lacks jurisdiction because it has no contacts with the State of Missouri, did not

¹All references are to Missouri Revised Statutes 2010, unless otherwise noted. Where a citation gives a supplement year—*e.g.* “(Supp. 2011)” —the citation is to the version of the statute that appears in the corresponding supplementary version of the Missouri Revised Statutes, and, where relevant, to identical versions published in previous supplements.

exist at the time the alleged violations occurred, and has not conducted any operations in the State of Missouri. Stop Child Trafficking Now, Inc. has voluntarily agreed to be subject to the jurisdiction of this Court for the limited purposes set forth in this Assurance of Voluntary Compliance with respect to any future operations it may conduct in the State of Missouri.

6. This Assurance of Voluntary Compliance has been accepted by the Attorney General under § 407.030, RSMo to resolve a dispute in which the Attorney General alleges that Strategic Global Initiatives, Inc. and Stop Child Trafficking Now, Inc. engaged in actions which violated § 407.020, RSMo.

GENERAL PROVISIONS

7. This Assurance of Voluntary Compliance shall apply to Strategic Global Initiatives, Inc. and Stop Child Trafficking Now, Inc., and any other names under which they have done business in the past or may conduct business in the future. All references to Strategic Global Initiatives, Inc. include acts done individually, in concert, or by or through principals, officers, directors, members, employees, agents, representatives, affiliates, assignees, and successors. This Assurance of Voluntary Compliance also applies to each and every agent, employee, and any other individuals acting

on behalf of Strategic Global Initiatives, Inc. and Stop Child Trafficking Now, Inc.

8. Strategic Global Initiatives, Inc. solicited charitable donations in Missouri through local volunteers and at a fundraising walk held in downtown Kansas City on September 17, 2011 (hereafter referred to as the “2011 KC Event”). Strategic Global Initiatives, Inc. had also held fundraising walks, in Missouri, in prior years.

9. At the time of the 2011 KC Event, Strategic Global Initiatives, Inc. maintained and controlled the content of a website at www.SCTNow.org. Representatives of Strategic Global Initiatives, Inc. frequently referred Missouri residents to that website as part of soliciting charitable donations. Subsequent to the fundraising walk, Stop Child Trafficking Now, Inc. took over complete control of the SCTNow.org website and Strategic Global Initiatives, Inc. no longer maintains or has control over this website.

10. The solicitation of any funds for charitable purposes in the State of Missouri is subject to the terms of the Missouri Merchandising Practices Act, Chapter 407, RSMo.

11. The Attorney General has accepted this Assurance of Voluntary Compliance to address certain allegations that, in connection with fundraising activities related to the 2011 KC Event, Strategic Global Initiatives,

Inc. may have violated § 407.020, RSMo, which Strategic Global Initiatives, Inc. strongly denies, by:

a. Allegedly representing that donated funds were being used for programs and activities in the Kansas City metropolitan area, when such donated funds were not so used.

b. Allegedly failing to use donated funds in accordance their agents' representations that the all funds would be used within the Kansas City metropolitan area.

c. Allegedly representing that donated funds were being distributed to nonprofit organizations in the Kansas City metropolitan area that work to combat child trafficking when no nonprofit organization in Kansas City received funds.

d. Allegedly failing to use donated funds in accordance their agents' representations that all funds would be distributed to nonprofit organizations in the Kansas City metropolitan area that work to combat child trafficking.

e. Allegedly misrepresenting the scope and nature of Strategic Global Initiatives, Inc.'s activities and accomplishments in the information provided to Strategic Global Initiatives, Inc. volunteers and agents for their use in soliciting funds on behalf of Strategic Global

Initiatives, Inc.

f. Allegedly misrepresenting the scope and nature of Strategic Global Initiatives, Inc.'s activities and accomplishments on various webpages found at www.SCTNow.org and on Strategic Global Initiatives, Inc.'s Facebook pages.

12. Strategic Global Initiatives, Inc. has strongly denied that its actions violated the Merchandising Practices Act.

13. Stop Child Trafficking Now, Inc. denies that it participated in any of the acts that allegedly violate the Merchandising Practices Act because, at the time of such alleged acts, Stop Child Trafficking Now, Inc. did not exist. While Stop Child Trafficking Now, Inc. did receive certain donations from Strategic Global Initiatives, Inc., it denies that it is the successor to that entity.

14. Pursuant to § 407.030, RSMo this Assurance of Voluntary Compliance shall not be construed as an admission of violation of any law for any purpose by Strategic Global Initiatives, Inc., or Stop Child Trafficking Now, Inc. To the contrary both entities deny that they have violated any law.

II. Assurances

15. When engaging in any activities in Missouri or directed to any Missouri resident relating to the solicitation of funds for any charitable purpose, Strategic Global Initiatives, Inc. and Stop Child Trafficking Now, Inc. shall:

a. Accurately represent how they intend to use all funds collected as a result of their charitable solicitations, including any representations concerning any programs or other activities run or funded by either of them, and the prior success and future plans of each.

b. Accurately represent the geographic area in which either of them engages in its own (in-house) programs and the geographic areas in which it has distributed funds to other nonprofits.

c. Not engage in misrepresentations concerning the use of donated funds or their respective accomplishments or programs in solicitations for charitable donations.

16. Strategic Global Initiatives, Inc. and Stop Child Trafficking Now, Inc. shall adequately train, instruct, and inform all persons who solicit funds on their behalf to assure all claims made concerning their programs and activities are accurate. The training shall, at a minimum, be designed to

educate all persons who solicit funds to accurately inform all donors how their funds will be used.

17. Strategic Global Initiatives, Inc. and Stop Child Trafficking Now, Inc. shall accurately describe their respective accomplishments, activities, and goals on all websites, Facebook pages, and other media under its control or the control of its representatives. Each of the parties shall ensure that its “volunteer ambassadors” are educated and trained in accordance with the provisions of paragraph 16 above.

III. Scope and Revisions

18. This Assurance of Voluntary Compliance resolves all claims Plaintiff has or may have had against Strategic Global Initiatives, Inc. and Stop Child Trafficking Now, Inc. under § 407.020 for acts and practices in connection with the matters relating to the allegations referenced in this Assurance of Voluntary Compliance.

19. Although the execution of this Assurance of Voluntary Compliance provides for a contractual release of claims, this action did not involve a filing of a claim, it is not a judgment and has no effect under the doctrine of *res judicata*. In the event of Defendants’ failure to comply, in the future, or any other breach of the terms of this agreement, Plaintiff may bring any and all claims against Defendant for any and all relief for any

conduct after the date of this Assurance of Voluntary Compliance.

20. This Assurance of Voluntary Compliance embodies the entire and exclusive agreement and understanding of the parties hereto with respect to the subject matter contained herein. The terms of this agreement supersede all previous communications, conversations, and agreements, whether express or implied. The terms of this Assurance of Voluntary Compliance shall not be revised unless such revisions are made in writing and signed by all parties hereto and approved by the Court.

21. Nothing in this Assurance of Voluntary Compliance shall be construed as relieving either Strategic Global Initiatives, Inc. or Stop Child Trafficking Now, Inc. of the obligation to comply with all state or federal laws, regulations or rules; or relieving Defendants from any future liability under the laws, or from legal claims not set forth in this Assurance of Voluntary Compliance; or as limiting the ability of the Attorney General or any other government entity from enforcing such provisions with respect to Strategic Global Initiatives, Inc. and Stop Child Trafficking Now, Inc. in the future within the State of Missouri.

22. The parties acknowledge that no other promises, representations, or agreements of any nature have been made or entered into by the parties, relating to the basis of this Assurance of Voluntary Compliance. However, if

any provision or provisions of this Assurance of Voluntary Compliance is or are declared invalid by a court of competent jurisdiction, the rest of this Assurance of Voluntary Compliance shall remain in full force and effect and shall not be affected by such declaration.

23. Jurisdiction is retained for the purpose of enabling any party to this Assurance of Voluntary Compliance to apply to the Court at any time for the purpose of enforcement, modification, termination or expiration of the provisions herein. Such enforcement may include, but is not limited to, an action to obtain a civil penalty pursuant to § 407.030, RSMo. The Attorney General is not restrained from initiating further investigations or legal proceedings concerning the subject matter of this Assurance of Voluntary Compliance occurring after the date this Assurance of Voluntary Compliance is executed by the parties, including, but not limited to, an action for an injunction, restitution, or other relief brought pursuant to § 407.100, RSMo.

24. Strategic Global Initiatives, Inc. and Stop Child Trafficking Now, Inc. waive service of process and hereby consent to accept all process and other filings by certified mail for the limited purposes of this Assurance sent to the addresses for each organization set forth herein, or to such other addresses of which the Attorney General, may be notified in writing,

including notice to counsel for each respective organization who has notified the Attorney General of such counsel's address.

25. All terms of paragraphs 15, 16 and 17 shall expire on April 1, 2015. Although such terms shall expire, nothing contained herein shall excuse Strategic Global Initiatives, Inc. and Stop Child Trafficking Now, Inc. from any future of violation of § 407.020 or any other provision of Missouri law.

IV. Recommendation and Approval

26. This Assurance of Voluntary Compliance is entered into pursuant to the laws of the State of Missouri and shall be governed by and construed in accordance with the same.

27. The Missouri Attorney General believes an Assurance of Voluntary Compliance, executed pursuant to § 407.030, RSMo is presently adequate to protect the people of the State of Missouri.

28. Strategic Global Initiatives, Inc. and Stop Child Trafficking Now, Inc. have had the opportunity to consult with their legal counsel regarding this Assurance of Voluntary Compliance, and agree to be bound by all provisions contained herein, waiving their right to trial or appeal.

29. Having read and understood the terms and conditions of this Assurance of Voluntary Compliance, the Parties agree that this Assurance of Voluntary Compliance constitutes a fair resolution of the potential litigation.

30. The Attorney General, Strategic Global Initiatives, Inc., and Stop Child Trafficking Now, Inc. recommend that the Cole County Circuit Court approve this Assurance of Voluntary Compliance.

IN WITNESS THEREOF, the parties hereto have caused this Assurance of Voluntary Compliance to be executed in their respective names on _____, 2012.

CHRIS KOSTER
Attorney General



Robert E. Carlson
Assistant Attorney General
Missouri Bar No. 54602
815 Olive St.
St. Louis, MO 63101
314-340-6816
Fax: 314-340-7957
Attorneys for Plaintiff



Stop Child Trafficking Now, Inc.
2020 Fieldstone Pkwy 900, Ste 112
Franklin, TN 37069-4369



Strategic Global Initiatives, Inc.
414 West 51st Street
New York, NY 10019