



SECRETARY OF STATE
STATE OF GEORGIA

IN THE MATTER OF:

NSPIRE Outreach, Inc.,

Respondent.

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Case No.: ENCH-110004

CEASE AND DESIST ORDER

Pursuant to the authority of the Georgia Charitable Solicitations Act of 1988, as amended, O.C.G.A. § 43-17-1 *et seq.* (hereinafter "the Act"), and 590-9-1 *et seq.* of the Rules and Regulations of the State of Georgia (hereinafter "the Rule" or "the Rules"), the Secretary of State of the State of Georgia (hereinafter "the Secretary"), has caused an investigation to be made into the acts and practices of NSPIRE Outreach, Inc. (hereinafter "Respondent"). As a result of that investigation, the Secretary makes the following findings of fact and conclusions of law:

FINDINGS OF FACT

1.

Respondent is a religious organization as defined in O.C.G.A. § 43-17-2(14), and is exempt from registration as a charitable organization. Respondent maintains its principal place of business at 1305 Lakes Parkway, Suite 121, Lawrenceville, GA 30043.

2.

On or about February 1, 2012, the Secretary's staff sent a proposed Cease and Desist Order to Respondent for unlicensed practice and non-compliant collection receptacles throughout Georgia for the collection of clothing.

3.

On or about February 13, 2012, Respondent submitted documentation claiming an exemption from registration as a charitable organization pursuant to O.C.G.A. 43-17-9(a)(8). The exemption was granted, and on February 28, 2012, the Secretary's staff sent a letter to Respondent informing it of such. Said letter also informed Respondent that it had not submitted any evidence of compliant collection receptacles.

4.

On or about March 13, 2012, Respondent submitted a letter with a picture showing that the boxes were still not in compliance. Respondent received notification from the Secretary's staff on and subsequent to March 1, 2011, informing it of what language needs to be on the collection receptacles in order for them to be compliant, yet the receptacles are still not in compliance.

5.

O.C.G.A. § 43-17-8.1, states the following:

(a) When any person makes a solicitation to the public by encouraging donations into a collection receptacle, the provisions of this Code section shall apply to such solicitations.

(b) **If the collection receptacle is owned or operated entirely** by a charitable organization exempt from taxation pursuant to Section 501(c)(3) of the United States Internal Revenue Code of 1986 or by **a religious organization**, *the receptacle shall contain the following information in boldface letters at least two inches high on the front of the collection receptacle and directly underneath the deposit door stating:*

(1) The name, address, website, if any, and telephone number of the charitable organization or religious organization that owns or

operates the collection receptacle, from which persons may obtain additional information about the religious or charitable organization, including the address of its principal office and its telephone number; and

(2) Whether or not the charitable organization or religious organization is registered with the Secretary of State [as a charitable organization] and, if it is registered, a statement that additional information may be obtained from the Secretary of State, including the charitable or religious purpose for which the charitable organization or religious organization exists.
(emphasis added)

(c) If the collection receptacle is owned or operated entirely or in part by any entity other than a charitable organization exempt from taxation pursuant to Section 501(c)(3) of the United States Internal Revenue Code of 1986 or by a religious organization, then the following shall apply:

(1) In the case where any of the items collected are to be sold and none of the proceeds of such sale are to be paid over or otherwise given to a charitable organization exempt from taxation pursuant to Section 501(c)(3) of the United States Internal Revenue Code of 1986 or to a religious organization, it shall be unlawful for any person to collect donations of goods or tangible items in such collection receptacle unless the collection receptacle displays the following statement: "DONATIONS ARE NOT FOR THE BENEFIT OF ANY CHARITABLE OR RELIGIOUS ORGANIZATION." The name, address, website, if any, and telephone number of the operator of the collection receptacle shall also be provided; and

(2) In the case where any of the items collected are to be sold and some or all of the proceeds from such sale are to be paid over or otherwise given to one or more charitable organizations exempt from taxation pursuant to Section 501(c)(3) of the United States Internal Revenue Code of 1986 or to a religious organization, it shall be unlawful for any person to collect donations of goods or tangible items in a collection receptacle unless the collection receptacle displays the following statement: "THIS COLLECTION BOX IS OPERATED BY [NAME OF OPERATOR]. THE ITEMS DEPOSITED IN THIS BOX WILL BE SOLD, AND A PORTION OF THE PROCEEDS WILL BE PAID TO [NAME OF CHARITABLE ORGANIZATION OR RELIGIOUS ORGANIZATION]. FURTHER INFORMATION ABOUT THESE PAYMENTS CAN BE OBTAINED FROM [NAME OF

OPERATOR] AT [ADDRESS, WEBSITE, IF ANY, AND TELEPHONE NUMBER OF THE OPERATOR] AND [ADDRESS, WEBSITE, IF ANY, AND TELEPHONE NUMBER OF THE CHARITABLE ORGANIZATION OR RELIGIOUS ORGANIZATION]. IN ADDITION, FURTHER INFORMATION ABOUT THE CHARITABLE ORGANIZATION MAY BE OBTAINED FROM THE SECRETARY OF STATE.”

The statements and all information required by paragraphs (1) and (2) of this subsection shall be prominently displayed in boldface letters at least two inches high located on the front of the collection receptacle and directly underneath the deposit door.

CONCLUSIONS OF LAW

6.

Respondent is in violation of O.C.G.A. § 43-17-8.1 by failing to provide the appropriate language on its collection receptacles. **WHEREFORE**, by the authority vested in me as the Secretary of State of the State of Georgia, **IT IS HEREBY ORDERED** that NSPIRE Outreach, Inc. **CEASE AND DESIST** from violations of the Georgia Charitable Solicitations Act of 1988, as amended;

The entry of this Order is deemed to be in the public interest and shall not be deemed to constitute findings or conclusions relating to other persons and shall not be deemed to be a waiver or estoppel on the part of the Secretary from proceeding in individual actions against any person who may have violated the Act or on the basis of any transactions not known to the Secretary at the time this Order was issued.

SO ORDERED, this 20th day of April, 2012.

BRIAN P. KEMP
SECRETARY OF STATE

By: Tanja Battle

TANJA BATTLE
Director of Registration
Charities Division