



OFFICE OF THE SECRETARY OF STATE
STATE OF GEORGIA

IN THE MATTER OF

Herobox, Inc.

Respondent.

:
:
:
:
:
:
:
:
:
:
:

Case Number: ENCH-190284

ORDER TO CEASE AND DESIST

Pursuant to the authority of the Georgia Charitable Solicitations Act of 1988, as amended O.C.G.A § 43-17-1 *et seq.* (“Act”) and 59-9-1 *et seq.* of the Rules and Regulations of the State of Georgia (“Rules”), the Secretary of State of the State of Georgia (“Secretary”), has caused an investigation to be made into the acts and practices of **Herobox, Inc.** (“Herobox” or “Respondent”). As a result of the investigation, the Secretary makes the following findings of facts and conclusions of law:

I. FINDINGS OF FACT

1. Herobox is a Georgia based non-profit corporation with a principal address of 237 Senoia Road, Peachtree City, GA, 30269.
2. Herobox was formed in May 2008 and incorporated as a domestic non-profit organization with the Corporations Division of the Secretary in December 2008.
3. Herobox received 501(c)(3) tax-exempt status from the IRS in May 2009. Herobox states that its mission is to “support deployed, injured, aging and homeless veterans” and “ensure that every American hero receives the physical and moral support they deserve.” Herobox carries out this mission by delivering care packages to American soldiers and their families around the world.
4. Herobox furnishes its care packages through the solicitation of both cash and in-kind donations, which Herobox uses to construct these care packages. Herobox solicits these donations via its website,

herobox.org, and distributes them to both active and inactive military personnel.

5. For Fiscal Year 2017, Herobox reported on its Form 990 total revenues of two million three hundred twenty two thousand thirty-five dollars (\$2,322,035.00). For Fiscal Year 2016, Herobox reported on its Form 990 total revenues of two million five hundred forty four thousand five hundred twenty four dollars (\$2,544,524.00).

6. Herobox is not, nor has it ever been, registered as a charitable organization with the Secretary.

7. On June 5, 2015, the Secretary sent Herobox a Letter of Caution (“Letter”) warning Herobox that it may be in violation of the Act. The Letter explained charitable organizations must register with the Secretary unless otherwise exempt from registration. The Letter also informed Herobox that, due to its total reported revenues, Herobox faced additional requirements as part of the registration. Specifically, the Letter informed Herobox that its registration required the submission of financial statements audited by an independent certified accountant to the Secretary.

8. The Letter stated the Secretary would withhold regulatory action against Herobox so that Herobox could have the opportunity to address its deficiencies without incurring additional costs associated with responding to a regulatory action, and that the Division would reconsider the matter in thirty (30) days. The letter also requested Herobox to periodically update the Secretary regarding its compliance status. Since receiving the Letter, Herobox has not registered as a charitable organization with the Secretary, nor has Herobox provided the Secretary with any updates regarding its compliance status.

II. CONCLUSIONS OF LAW

9. Paragraphs 1 through 8 are incorporated by reference as though fully set forth herein.

10. The Secretary has jurisdiction over this matter pursuant to the Act. *See* O.C.G.A. §§ 43-17-10 and 43-17-11.

11. Pursuant to O.C.G.A. §§ 43-17-11 and 43-17-13, the Secretary is authorized to institute this investigation and issue the order.

12. Pursuant to O.C.G.A. § 43-17-13(a)(1)(A)(i), “whenever it may appear to the Secretary of state, either upon complaint or otherwise, that any person engaged in or is engaging in or is about to engage in

any act, practice, or transaction which is prohibited by this chapter or by any rule, regulation, or order of the Secretary of State promulgated or issued pursuant to any Code section of this chapter or which is declared to be unlawful under this chapter, the Secretary of state may, at his discretion . . . issue a cease and desist order against any person.”

13. Pursuant to O.C.G.A. § 43-17-13(a)(1)(A)(v), the Secretary may, “[r]egarding any willful act, practice, or transaction, issue an order imposing a civil penalty up to a maximum of \$250.00 against any person for a single violation or \$500.00 for multiple violations in a single proceeding or a series of related proceedings.”

14. O.C.G.A. § 43-17-2(2) defines a charitable organization as “any benevolent, philanthropic, patriotic, or eleemosynary (or, relating to, or supported by charity or alms) person, as that term is defined in this code section, who solicits or obtains contributions solicited from the general public, any part of which contributions is used for charitable purposes.”

15. O.C.G.A. § 43-17-2(17) defines solicitation as the “request or acceptance directly or indirectly of money, credit, property, financial assistance, or any other thing of value to be used for any such charitable purpose.”

16. Pursuant to O.C.G.A. § 43-17-5, it is unlawful for charitable organizations and individuals to solicit contributions from the public for charitable purposes unless said charitable organizations are registered with the Secretary, or are otherwise exempt from registration.

17. Herobox acted as a charitable organization from 2008 to the present date when it solicited donations or contributions for use in carrying out its charitable operations. Because Herobox is soliciting donations in Georgia without being registered as a charitable organization, and because Herobox has not claimed an exemption, Herobox violated O.C.G.A. § 43-17-5.

III. ORDER

WHEREFORE, by the authority vested in me as the Secretary of State for the State of Georgia,
IT IS HEREBY ORDERED:

1. **Herobox, Inc.** immediately **CEASE AND DESIST** all violations of the Georgia Charitable Solicitations Act of 1988, as amended.
2. **Herobox, Inc.** pay a civil penalty of two hundred fifty dollars (\$250.00)

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 unrelated to Respondent and shall not be deemed to be a waiver or estoppel on the part of the Secretary of State from proceeding in individual actions against any person who may have violated the Act or any transactions not specifically referred to herein or not known to the Commissioner at the time this Order was issued.

SO ORDERED this 24th day of April, 2019.

SECRETARY OF STATE

By:



C. Ryan Germany
General Counsel
Hearing Officer