

FOR IMMEDIATE RELEASE:

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Attorney General Balderas & Federal Trade Commission Announce \$75 Million Settlement against Sham Cancer Charities

New Mexico Attorney General's Charities Unit was a lead agency in the action against the sham charities

Santa Fe, NM – This morning, Attorney General Hector Balderas along with the Federal Trade Commission and an unprecedented group consisting of all fifty states and the District of Columbia, announced that the last two nationwide sham cancer charities named in the largest charity regulation case in history, are to be dissolved, their assets transferred to a receiver for liquidation, and their president banned for life from profiting from fundraising, consulting or conducting charitable activity. The stringent ban and total forfeiture of all assets available under the law was obtained through settlement agreement. The two holdout 'charities' bilked more than \$75 million from donors across the country who thought their hard earned donations would help people suffering from cancer. The Office of the New Mexico Attorney General's Charities Unit was a lead agency in the action against the sham charities from the initial investigation comprised of only three states, to this final historical result.

"Our office is proud to have shut down these individuals who stole donations meant to benefit people suffering from cancer and used those funds to live luxurious lifestyles and for their own personal gain," said Attorney General Hector Balderas. "Together, the FTC and charity regulators from every state in the country have made it clear---we will not sit idly while scammers defraud consumers and deprive legitimate charities of much needed support."

Cancer Fund of America Inc. (CFA), Cancer Support Services Inc. (CSS) and their leader, James Reynolds, Sr., agreed to settle charges that CFA and CSS claimed to help cancer patients, but instead, spent the overwhelming majority of donations on their operators, families and friends, and fundraisers.

The agencies' complaint, filed in May 2015, targeted four sham charities run by Reynolds and his family members. The complaint, and the stipulated settlement agreements, included a judgement in the full amount of \$187 million which was collected from donors over a five year period. CFA and CSS were responsible for more than \$75 million of that amount. The other two sham charities, Children's Cancer Fund of America, run by James Reynolds, Sr's ex-wife, and the Breast Cancer Society, run by James Reynolds, Jr., both settled in May 2015. The settlement announced today is the result of nearly six years of dedicated, concerted effort in the largest joint enforcement action ever undertaken by the FTC and state charity regulators.

Under the settlement order, CFA and CSS are permanently closed and their assets liquidated. The order imposes a judgment against CFA, CSS, and Reynolds, jointly and severally, of

\$75,825,653, the amount consumers donated to CFA and CSS between 2008 and 2012. As a result of the action, Mr. Reynolds now lives in a greatly diminished manner from the luxurious trips, houseboat, cruises, lake house and sports cars to which he had become accustomed. Although these individuals squandered the lion's share of the donations, every asset available under the law in such a judgement was collected. Should any of the individually named targets be found to have misrepresented their financial condition, the full amount of the judgement will become immediately due in full.

The other defendants in the case were CFA's and CSS's chief financial officer and CSS's former president, Kyle Effler; Children's Cancer Fund of America Inc. (CCFOA) and its president and executive director, Rose Perkins; and The Breast Cancer Society Inc. (BCS) and its executive director and former president, James Reynolds II. Under settlement orders, Effler, Perkins and Reynolds II were also banned for life from fundraising, charity management, and oversight of charitable assets. CCFOA and BCS are in receivership and will be dissolved after their assets are liquidated.

If you believe you have been a victim of a charity scam, please contact the Charities Unit of the New Mexico Office of the Attorney General at [505-827-6000](tel:505-827-6000) or toll free at [1-866-627-3249](tel:1-866-627-3249). For more information regarding the Charities Unit of the New Mexico Office of the Attorney General please visit <http://www.nmag.gov/charities.aspx>.

See attached for some of the scripts and solicitations the sham charities used to deceive donors.

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**Cancer Fund of America
New Donor Acquisition Presentation**

Caller Warning

You are required by law to say the opening word for word without changes.

The Opening

Hi, Mr./ Mrs. _____, (your full name) with A.C. Services, a professional fundraiser, calling on behalf of the Cancer Fund of America.

(The opening is required by law and must be used perfectly, word-for-word, on every call)

How have you been? Glad to hear it! (Or use an appropriate *icebreaker*)

The Presentation

Mr./ Mrs. _____, I'll make this quick for you, We're back to work:

(choose two or more bullet points to discuss)

- Helping thousands of cancer victims and their families every year.
- Providing food items and various medical supplies and Non-prescription medicine for cancer patients.
- Helping relieve the financial burden upon the family and individuals with cancer by providing them with the supplies that they need.
- Helping cancer patients financially because most insurance payments, including Medicare and Medicaid, fall short of the money needed to cover the cost of basic needs during cancer care.
- Direct care for the cancer patients whom research is too late and need the help now.

The Support Question

Mr./ Mrs. _____, we just wanted to let you know that we are mailing out the envelopes so you can help out our Cancer victims and families, OK!?

IF YES – Go To **The Price Presentation (Page 2)**

IF NO – Rebuttal

Mr./ Mrs. _____, Last thing we want to do is put you in a bind, but these Cancer patients do not have the necessary supplies that they need to ease the suffering they endure. If \$15 can help out one Cancer patient it's more than worth it, OK?

IF YES – Go To **The Close (Page 3)**

IF NO – Thanks for your time, have a nice day.

Cancer Fund of America Presentation

CALLER WARNING

The CFA is not the "American Cancer Society" or any other cancer support agency. Misleading or misrepresenting such to the public will result in immediate termination of employment. You are required by law to say the first two sentences word for word without any changes. Failure to do so and you are committing a crime. Violators will be terminated immediately. The CFA is a nationwide organization. Aid is granted on a national level; any attempt to localize the support to a statewide basis or a local area is fraud!

Hello Mr. or Mrs. (customer's last name), this is (your full name) working for Associated Community Services. I am professionally fundraising on behalf of the Cancer Fund of America. How are you? Great to hear. / Sorry to hear that.

I am calling to let you know that the CFA is trying to help out individuals and families that have been stricken with cancer. First of all, by providing them with medical equipment and supplies in effort to lighten their already heavy financial burden because of this illness. Second, the CFA is working directly with hospice to furnish them and their support agencies with important merchandise. With the help of concerned individuals like you, the CFA hopes to be able to continue this much needed support to these families and the patients fighting for their lives. Can we count on you?

If yes - Great! The support is up to you. We are asking concerned residents like you to help with a \$35 pledge. Would that be okay with you?

If yes close

If no - Mr. or Mrs. (customer's last name), that's okay, more people feel comfortable doing \$20. Is that affordable for you?

If yes close

If no - Well Mr. or Mrs. (customer's last name), everything will add up to help keep this program running. Our small one is \$12. Would that be affordable for you?

If yes close

If no - Thank you for your time and have a wonderful day!!

Cancer Fund OF AMERICA

December 22, 2009

Mrs. Judy [REDACTED]
[REDACTED]
[REDACTED]

THIRD APPEAL

Dear Mrs. [REDACTED]:

Thank you for speaking with Bob [REDACTED] on the phone on May 29, 2009. During that call you promised to send an urgently needed gift of \$0.00 to help us in our fight against cancer.

As of yet, your \$0.00 gift has not come to my attention.

One in three Americans will eventually be stricken with cancer. Through Cancer Fund of America's patient assistance programs we have been able to help thousands of needy cancer sufferers with urgently needed health and home products and advice in dealing with this devastating disease. I hope you or your loved ones will never need our help. But I want you to know we will always be there to assist those in need.

Mrs. [REDACTED], if you have not had a chance, or just have not been able to send in your \$0.00 yet, please mail it today.

Sincerely,


Jim Reynolds
President

P.S. Please return this Pledge Reply below along with the \$0.00 you promised in the enclosed postpaid envelope. **If this appeal and your donation have crossed in the mail, please disregard. Thank you.**

810202TV

DETACH HERE

9182748127	PLEDGE REPLY	THIRD APPEAL CXLDZF
<p>YES, here is the \$0.00 I pledged to help Cancer Fund of America (CFA) and its public education and cancer patient assistance programs.</p> <p>Mrs. Judy [REDACTED] [REDACTED] SS [REDACTED]</p> <p>Use the enclosed postage paid envelope to return your pledge. [REDACTED] to CFA are tax-deductible to the extent allowed by law. No contribution required. See CFA Facts.</p> <p>Cancer Fund of America, Mail Processing Center, P.O. Box 97201, Washington, D.C. 20090-7201</p>		

Cancer Fund

O F A M E R I C A

2901 Breezewood Lane, Knoxville, TN 37921

Ms. Barbara [REDACTED]
[REDACTED]
[REDACTED]

August 11, 2008

Dear Ms. [REDACTED]

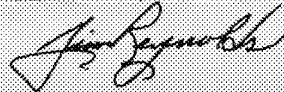
Our records indicate that you have not sent your 2008 tax-deductible contribution to our Cancer Patient Assistance Programs. Your contribution of \$5 or \$10 would help so much.

Your past support as well as the support of our other friends has enabled us to help supply emergency items such as oxygen, transportation to chemotherapy treatment, medications, loan equipment, mastectomy supplies and nutritional dietary supplements to individual cancer patients across the country! Also, through a Gifts-in-Kind program CFA obtains donated merchandise for distribution to its own cancer patients and other non-profit health care providers. CFA also donates products through its Community Service Program to aid the ill, needy and infants.

Won't you please help us continue the fight? Lives depend on us.

Please use the enclosed envelope to send us your 2008 contribution today.

Sincerely,



Jim Reynolds
President

P.S. Please accept my apologies if your check and this letter have crossed in the mail. And thank you for your continued support.

P.P.S. Should you or a member of your family need cancer related assistance, please contact me at Cancer Fund of America.

HR629L

Cancer Fund O F A M E R I C A

2901 Breezewood Lane, Knoxville, TN 37921

Dear Friend:

I'm sure you're wondering why I've sent you a pair of pennies today. Let me first tell you about a call I just received.

It was one of the hardest calls of my life.

For over 35 minutes an elderly woman, Margaret, cried her heart out as she explained that she had recently been diagnosed with cancer and needed more medical attention than she could afford on her modest retirement and social security check.

The call was hard for me because, right now, I can't do anything to help her. You see, all of our funds are committed to the thousands of elderly and financially challenged cancer patients throughout the United States we currently assist.

That's why I gathered together a few precious pennies and sent them to some good people who I very much hope will be able to help. Through our **Coins for Cancer** campaign we hope to raise enough money to assist hundreds of additional struggling cancer patients just like Margaret.

As you know cancer is one of America's leading killers. In fact, as I write to you today, one out of three Americans will eventually be diagnosed cancer.

We need to raise more money urgently, so that when vulnerable and frail Americans like Margaret call for assistance in their battle, we can answer yes instead of no.

Won't you help by returning the pennies I sent along with a gift of \$10, \$15, \$20 or more today?

There's a reason why the pair of pennies I sent you are so important. Through your generosity, they can grow into something much bigger. If you send \$10, for example, that's 1,000 pennies, while a \$25 gift is 2,500 pennies.

And with these kind gifts we can do so much for those fighting for their lives against cancer.

Can I count on your kind and generous support today?

Sincerely,



Jim Reynolds

P.S. Please consider donating to our **Coins for Cancer** campaign. Just \$10 or \$20 will go a long way to help someone in their battle with cancer. On behalf of the cancer patients Cancer Fund of America assists, I thank you for your time and consideration.

Cancer Support Services Cold Calling Presentation

The key to being a successful fundraiser is to say the presentation as if you are having a normal conversation. You must sound like you are explaining something to the person, not reading them. Throw in 1 cup of confidence; 1 cup of persistence; a ½ cup of personality and a ¼ cup of sincerity and you will be successful.

Introduction

Hi, Mrs. _____ (your name) with Cancer Support Services.
How are you? (*Ice Breaker*)

Presentation

I just wanted to let you know what's going on. Cancer Support Services is working hard by giving cancer patient's things they need like medical supplies, dietary supplements and we also help hospice. Our goal is to turn victims into survivors.

I wouldn't be doing the cancer patients any good if I didn't ask, when we get you the pledge card in the mail, can the cancer patients count on your support?

IF YES- Go to price presentation (page 2)

IF NO- Rebuttal: *Acknowledgement line*

- 1) Mrs. _____, tens of thousands of cancer patients contact us for help provide and your support would provide medical, nutritional and personal aid supplies. A small \$25 pledge would go a long way to help them. Can you do that?
- 2) *Acknowledgment line*
To help keep the programs going and buy much needed supplies for cancer patients can you find it in you heart to help with the smallest \$15 pledge?

3 steps of rebutting

1. Acknowledge the "no"
2. Sell the program
3. Ask for the \$

- 501(c)3 charity
- we help on a direct level
- we send items for free to cancer patients door step
- we help every type of cancer not just 1 area