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*(Exempt fees due to Government
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8
9 SUPERIOR COURT OF THE STATE OF CALIFORNIA
10 COUNTY OF LOS ANGELES – CENTRAL DISTRICT

11 **IN THE MATTER OF**
12 **NEAL ZEAVY; RAFFLE**
13 **ADMINISTRATION CORP.; NZ**
14 **CONSULTING, INC.**

Case No. 23STCP00957

NOTICE OF ENTRY OF ORDER

Dept: 48
Judge: Hon. Thomas D. Long
Action Filed: March 21, 2023

17 TO ALL PARTIES AND THEIR COUNSEL OF RECORD:

18 PLEASE TAKE NOTICE that on May 26, 2023, the Court in the above-captioned action
19 entered the attached order approving the Assurance of Voluntary Compliance.

20 Dated: August 14, 2023

Respectfully submitted,

21
22 ROB BONTA
Attorney General of California
23 JOSEPH N. ZIMRING
Supervising Deputy Attorney General

24 
25 CAROLINE K. HUGHES
Deputy Attorney General
26 *Attorneys for the Attorney General of*
27 *California*

28 LA2018600064/66154595

Exhibit A

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FILED
Superior Court of California
County of Los Angeles

05/26/2023

David W. Slayton, Executive Officer / Clerk of Court

By: E. Ma Reyes Deputy

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES – CENTRAL DISTRICT

IN THE MATTER OF:

**NEAL ZEAVY; RAFFLE
ADMINISTRATION CORP.; NZ
CONSULTING**

Respondents.

Case No. 23STCP00957

~~PROPOSED~~ ORDER RE; ASSURANCE
OF VOLUNTARY COMPLIANCE RE:
NEAL ZEAVY; RAFFLE
ADMINISTRATION CORP; AND NZ
CONSULTING

Date:
Time:
Dept:
Judge:
Trial Date:

ORDER

Good cause appearing, IT IS ORDERED that under the authority of Government Code section 12591.2, the Assurance of Voluntary Compliance entered into by Neal Zeavy, Raffle Administration Corp., and NZ Consulting, Inc. in this matter is approved, and shall be filed with the Clerk of the Court.

DATED: 05/26/2023




JUDGE OF THE SUPERIOR COURT
Thomas D. Long / Judge

1 ROB BONTA
Attorney General of California
2 TANIA IBANEZ
Senior Assistant Attorney General
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10 SUPERIOR COURT OF THE STATE OF CALIFORNIA
11 COUNTY OF LOS ANGELES – CENTRAL DISTRICT
12

13 **IN THE MATTER OF:**
14 **NEAL ZEAVY; RAFFLE**
15 **ADMINISTRATION CORP.; NZ**
16 **CONSULTING, INC.**
17 Respondents.
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19
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Case No. **23STCP00957**
ASSURANCE OF VOLUNTARY
COMPLIANCE RE: NEAL ZEAVY;
RAFFLE ADMINISTRATION CORP.; AND
NZ CONSULTING, INC.
Date:
Time:
Dept:
Judge:
Trial Date:

21 Pursuant to the authority granted in Government Code section 12591.2, Attorney General
22 Rob Bonta accepts the following Assurance of Voluntary Compliance (“ASSURANCE”) from
23 Neal Zeavy (“ZEAVY”), Raffle Administration Corp. (“RAC”), and NZ Consulting, Inc.
24 (“NZC”). In consideration of resolving a matter of disputed liability, and without admitting any
25 wrongdoing or violations of law, ZEAVY agrees to enter into this ASSURANCE. Pursuant to
26 Government Code section 12591.2, this ASSURANCE shall not be considered an admission of a
27 violation for any purpose. The Attorney General, RAC, and NZC (“PARTIES”) agree that it is in
28

1 their best interest and consistent with the best interest of the People of the State of California to
2 resolve the issues between them in the matter set forth herein.

3 **FACTS**

4 1. The Attorney General is charged with enforcement of the provisions of the
5 Supervision of Trustees and Fundraisers for Charitable Purpose Act (Gov. Code, § 12580 et seq.),
6 the Nonprofit Public Benefit Corporation Law (Corp. Code, § 5000 et seq.), the Solicitations for
7 Charitable Purposes Law (Bus. & Prof. Code, § 17510 et. seq.), those provisions of the Business
8 and Professions Code which prohibit unlawful, unfair, or fraudulent business acts or practices
9 within this State (Bus. & Prof. Code, § 17510 et. seq.), and Penal Code section 320.5. In the
10 course of discharging its duties, the Attorney General's Office investigated ZEAVY, RAC, NZC,
11 and others related to charitable fundraising activities in California. The Attorney General makes
12 the findings set forth below.

13 2. ZEAVY, RAC, and NZC cooperated with the Attorney General's investigation. In
14 furtherance of this cooperation and to avoid the costs associated with future administrative and
15 judicial proceedings related to the matter set forth herein, ZEAVY, RAC, and NZC desire to enter
16 into this ASSURANCE.

17 **FINDINGS OF THE ATTORNEY GENERAL**

18 3. Raffles are a form of lottery and are generally illegal in California. (See, e.g., Pen.
19 Code, § 320.) Charities, however, can conduct raffles to raise funds for charitable purposes if
20 certain conditions are met. (Pen. Code, § 320.5.)

21 4. Only employees of the charity can receive compensation in connection with the raffle
22 and no individual or corporation other than the charity can hold a financial interest in the raffle.
23 (Pen. Code, § 320.5, subds. (d) and (g).)

24 5. ZEAVY resided and did business in California at times relevant to this matter.

25 6. RAC was a California corporation with its principal place of business in San
26 Francisco, California. RAC was owned and operated by ZEAVY to provide services to charities
27 related to conducting raffles for charitable fundraising. RAC dissolved in 2015.

28

1 7. NZC is a Washington corporation with its principal place of business in Washington.
2 NZC is owned and operated by ZEAVY to provide, amongst other things, services to charities
3 related to conducting raffles for charitable fundraising.

4 8. ZEAVY, RAC, and NZC received compensation for administering charitable
5 fundraising raffles between the years of 2006-2018 for the following California charities
6 (“CHARITIES”):

- 7 (1) Community Action Marin (Marin County);
- 8 (2) Ronald McDonald House Charities San Diego;
- 9 (3) Ronald McDonald House Charities Northern California;
- 10 (4) Yerba Buena Center for the Arts;
- 11 (5) Special Olympics Southern California;
- 12 (6) Museum of Contemporary Art Santa Barbara;
- 13 (7) Palos Verdes Art Center; and
- 14 (8) Ronald McDonald House Charities Bay Area.

15 9. ZEAVY, RAC, and NZC contracted with the CHARITIES to administer the raffles
16 on behalf of the charity in exchange for a set fee per ticket sold. The fee per ticket was typically
17 10% of the ticket price. ZEAVY, RAC, and NZC’s duties included the following:

- 18 (1) Providing an interest-free raffle startup loan to the charity, to only be repaid if a
19 minimum amount of raffle tickets were sold;
- 20 (2) Managing web hosting/email hosting for the raffle;
- 21 (3) Coordinating with merchant processing account for the raffle;
- 22 (4) Locating and securing a house for the raffle grand prize;
- 23 (5) Hiring a staging company for the grand prize house;
- 24 (6) Arranging for the grand prize house to be photographed and videoed including
25 hiring a production firm to film a raffle commercial;
- 26 (7) Securing a raffle spokesperson;
- 27 (8) Securing a telephone number for raffle orders and finalizing a contract with a
28 phone bank for inbound phone services;

- 1 (9) Hiring a web designer to design the raffle website and send emails to the public;
- 2 (10) Hiring a graphic art designer to create print marketing materials such as
- 3 newspaper advertisements and direct mail pieces;
- 4 (11) Hiring a mailing vendor to send marketing materials and raffle ticket receipts;
- 5 (12) Hiring a graphic art designer to design raffle ticket receipts;
- 6 (13) Hiring an offset printer to print raffle ticket shells;
- 7 (14) Licensing rights to raffle database software;
- 8 (15) Drafting the raffle's official rules and regulations;
- 9 (16) Setting up a virtual raffle office with phone and fax forwarding;
- 10 (17) Providing a detailed summation report to the charity regarding the raffle;
- 11 (18) Assisting in establishing an annual budget for each year's raffle including
- 12 projected ticket sales;
- 13 (19) Assisting in negotiating advertising contracts with print media outlets;
- 14 (20) Assisting in hiring advertisement buyers for television;
- 15 (21) Assisting in setting a raffle calendar for beginning and end dates, including
- 16 drawing dates;
- 17 (22) Assisting in collaborating on graphics for all printed materials;
- 18 (23) Assisting in registering the raffle with the California Attorney General; and
- 19 (24) Approving and processing vendor invoices for payment by the charity.

20 10. ZEAVY, RAC, and NZC failed to register with the California Registry of Charitable
21 Trusts as professional fundraisers/fundraising counsel, violating Government Code section
22 12599.6. ZEAVY, RAC, and NZC failed to comply with the notice and reporting requirements
23 for fundraisers in violation of Government Code section 12599, subdivisions (c)-(d). ZEAVY,
24 RAC, and NZC acted as unlicensed, professional fundraisers/fundraising counsel in providing
25 raffle-directing services to CHARITIES. It is the Attorney General's position that ZEAVY,
26 RAC, and NZC also violated Penal Code section 320.5 by having an unlawful financial interest in
27 the conduct of charitable raffles.
28

1 **ASSURANCE**

2 In consideration of the findings set forth above, the PARTIES agree as follows:

3 1. The PARTIES understand and agree that if this ASSURANCE is executed by the
4 PARTIES, it will be submitted to the Los Angeles County Superior Court for approval, and if
5 approved, will be filed with the clerk of the Court.

6 2. The PARTIES agree that the Court may execute this Assurance of Voluntary
7 Compliance without a hearing on the matter.

8 3. ZEAVY is enjoined for five years from the following:

9 (1) Acting as a director, officer, trustee, manager, supervisor, founder,
10 incorporator, or other fiduciary for any California nonprofit
11 corporation, unincorporated charitable organization, or charitable trust;
12 and

13 (2) Engaging in charitable fundraising in California, including as a
14 director, officer, trustee, manager, supervisor, founder, incorporator,
15 other fiduciary, employee, agent, independent contractor, or volunteer
16 of any entity in the business of charitable fundraising in California.
17 Nothing in this provision prohibits ZEAVY from volunteering for a
18 California nonprofit corporation or unincorporated charitable
19 organization so long as such volunteer work has no connection to
20 charitable fundraising.

21 4. ZEAVY and NZC are enjoined for five years from the following:

22 (1) Soliciting or assisting others to solicit funds or assets for a charitable
23 purpose in California, by any means; and

24 (2) Holding, managing, directing, or controlling funds or assets for a
25 charitable purpose in California;

26 (3) Acting in California as a commercial fundraiser for charitable purposes,
27 fundraising counsel for charitable purposes, commercial coventurer, or
28 trustee, as those terms are defined in California Government Code

1 sections 12599, 12599.1, 12599.2, and 12582. The parties agree that
2 while this provision is in effect, ZEAVY may not solicit donations
3 from, or assist others in soliciting donations from, California residents
4 on behalf of out-of-state charities.

5 5. After five years of continuous compliance with this assurance, ZEAVY and NZC
6 may engage in activities related to charitable solicitations in California as long as they are in full
7 compliance with California law, including compliance with the registration and reporting
8 requirements for charities and fundraisers and full compliance with the laws regulating charitable
9 raffles.

10 6. ZEAVY, RAC and NZC agree to not violate Penal Code section 320.5 or
11 Government Code sections 12599 and 12599.6.

12 7. Because RAC previously dissolved, ZEAVY will comply with every term applicable
13 to RAC on behalf of RAC, including payment of penalties and ensuring that RAC complies with
14 the injunction and all restrictions;

15 8. NZC is enjoined in California from providing services relating to charitable
16 solicitations, raffles, or involvement with charitable fundraising to charities operating or soliciting
17 in California for a period of five years. ZEAVY will ensure NZC complies with the
18 ASSURANCE and will comply on behalf NZC.

19 9. Pursuant to the authority of Government Code section 12598 and 12586.2, within 60
20 days after notice of the Court's execution of the Order on this ASSURANCE, ZEAVY will
21 deliver a check in the amount of \$1,000,000 payable to the California Attorney General, and
22 addressed to Deputy Attorney General Joseph Zimring at the Attorney General's Office located at
23 300 S. Spring Street, Suite 1702, Los Angeles, CA. These funds shall be used exclusively for the
24 administration of the Attorney General's charitable trust enforcement responsibilities.

25 10. Within six (6) months after notice of the Court's execution of the Order on this
26 Assurance of Voluntary Compliance, ZEAVY will deliver a check in the amount of \$4,500,000
27 payable to the California Attorney General, and addressed to Deputy Attorney General Joseph
28 Zimring at the Attorney General's Office located at 300 S. Spring Street, Suite 1702, Los

1 Angeles. These funds shall be used exclusively for the administration of the Attorney General's
2 charitable trust enforcement responsibilities. Of these funds, \$300,000 will be for attorney's fees
3 and costs expended by the Attorney General in the investigation of ZEAVY, RAC, and NZC.

4 Payment of an additional \$10,000,000 to be used exclusively for the administration of the
5 Attorney General's charitable trust enforcement responsibilities will be stayed subject to
6 compliance with this ASSURANCE. If ZEAVY, RAC, and NZC comply with the terms of this
7 ASSURANCE, after one year from the notice of entry of this ASSURANCE, this stayed penalty
8 will be reduced to \$5,000,000; after three years it will be reduced to \$100,000; and after five
9 years it will be reduced to \$0.

10 11. The Parties agree that this ASSURANCE constitutes a resolution of all matters
11 known to, or which should have been known to, the Attorney General concerning ZEAVY, RAC,
12 NZC at the time of execution of this ASSURANCE. The Attorney General's investigation in this
13 matter related to other parties remains ongoing and this ASSURANCE does not affect the liability
14 of any party other than ZEAVY, RAC, and NZC.

15 12. The Attorney General shall provide notice at least 15 days prior to filing any action
16 authorized by law against the party in violation to enforce the terms of the ASSURANCE. The
17 Attorney General shall have the right to recover all costs and fees incurred in enforcement of the
18 ASSURANCE.

19 13. The Parties agree that the 10-year statute of limitations period set forth in the
20 Government Code section 12596 applies to any violation of the ASSURANCE.

21 14. The Parties acknowledge receipt of a copy of this Assurance of Voluntary
22 Compliance prior to lodging with the Court, and further agree to accept service of a conformed
23 copy of the Court's signed and filed Order on the Assurance of Voluntary Compliance by email
24 sent to ZEAVY, RAC and NZC, with courtesy copies to their attorneys of record at the addresses
25 set forth below. Such service shall be made on the parties as follows:

26 **ZEAVY, RAC and NZC**

27 Neal Zeavy

28 neal@raffleadministration.com; happycamper1979@yahoo.com

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Counsel for ZEAVY, RAC, and NZC:

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Counsel for the Attorney General:

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Caroline Hughes
Deputy Attorneys General
California Department of Justice 300 South Spring Street, Suite 1702
Los Angeles, CA 90013
joseph.zimring@doj.ca.gov
caroline.hughes@doj.ca.gov
(213) 269-6642

15. All notices to be provided to the Attorney General as set forth in this Assurance of Voluntary compliance are to be sent to the attention of Joseph Zimring and Caroline Hughes, Deputy Attorneys General, 300 South Spring Street, Suite 1702, Los Angeles, CA 90013.

IT IS SO STIPULATED AND AGREED.

DATED: 2-26-23



NEAL ZEAVY, INDIVIDUALLY, AND
NEAL ZEAVY, DIRECTOR OF RAFFLE
ADMINISTRATION CORP.
NEAL ZEAVY, DIRECTOR OF
NZ CONSULTING, INC.

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DATED: 3/1/2025



MARY MCNAMARA, ESQ.
SWANSON & MCNAMARA LLP
ATTORNEYS FOR NEAL ZEAVY, RAFFLE
ADMINISTRATION CORP., AND NZ
CONSULTING, INC.

DATED: 3/9/2023

Respectfully Submitted,

ROB BONTA
Attorney General of California



CAROLINE K. HUGHES
Deputy Attorney General
*Attorneys for Attorney General, State of
California*

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DECLARATION OF SERVICE

Case Name: In the Matter of: Neal Zeavy; Raffle Administration Corp.: NZ Consulting, Inc.

Case No.: 23STCP00957

I declare:

I am employed in the Office of the Attorney General, which is the office of a member of the California State Bar at which member's direction this service is made. I am 18 years of age or older and not a party to this matter; my business address is 300 South Spring Street, Suite 1702, Los Angeles, CA 90013-1230. On August 14, 2023, I served the following document(s):

NOTICE OF ENTRY OF ORDER

(A) **By Facsimile:** I served the attached document by transmitting a true copy by facsimile machine, pursuant to California Rules of Court, rule 2.306. The facsimile machine I used complied with Rule 2.306, and no error was reported by the machine. Pursuant to rule 2.306(h)(4), I caused the machine to print a record of the transmission, a copy of which is attached to this declaration.

on the parties through their attorneys of record, by placing true copies thereof in sealed envelopes addressed as shown below for service as designated below:

(B) **By First Class Mail:** I caused each such envelope to be placed in the internal mail collection system at the Office of the Attorney General in a sealed envelope, for deposit in the United States Postal Service with postage thereon fully prepaid, that same day in the ordinary course of business.

(C) **By Certified Mail:** I caused each such sealed envelope to be placed in the internal mail collection system at the Office of the Attorney General as certified mail with return receipt requested.

(D) **By Messenger Service:** I caused each such envelope to be delivered to a courier employed by a professional messenger service, with whom we have a direct billing account, who personally delivered each such envelope to the office of the addresses listed below. Name of messenger service: _____

(E) **By Overnight Mail:** I caused each such envelope to be placed in a box or other facility regularly maintained by the express service carrier, or delivered to an authorized courier or driver authorized by the express service carrier to receive documents, in an envelope or package designated by the express service carrier with delivery fees paid or provided. Name of overnight service: _____

on the parties through their attorneys of record, by electronic mail for service as designated below:

(F) **By [Name of Court Required System]:** Correspondence that is submitted electronically is transmitted using the [System Name] electronic filing system. Participants who are registered with [System Name] will be served electronically.

(G) **By E-mail:** I served the attached document by transmitting a true copy via electronic mail.

TYPE OF SERVICE: [B, G,]

Mary McNamara, Esq.

Swanson & McNamara LLP

300 Montgomery Street

Suite 1100

San Francisco, CA 941094

Email Address: mary@smlp.law

I declare under penalty of perjury under the laws of the State of California and the United States of America the foregoing is true and correct and that this declaration was executed on **August 14, 2023**, at Los Angeles, California.

Deborah Ruiz

Declarant

Deborah Ruiz
Signature

LA2018600064