Superior Court of California Vacates \$1 Million Fine Against Food For The Poor

New York (April 8, 2021) – <u>Perlman & Perlman</u> is pleased to announce that a judge for the Los Angeles Superior Court of the State of California issued a Statement of Decision completely vacating an administrative ruling against their client, <u>Food For The Poor</u> (FFTP). The March 18 decision also vacated the cease-and-desist order and a \$1 million fine imposed by the California Attorney General (AG).

The AG claimed that FFTP misrepresented in its charitable solicitations the percentage of donations, (which are both monetary and in-kind), allocated towards its programs. In confirming that FFTP's solicitations were not false, fraudulent, or made with the intention to deceive, the judge declared two provisions in California's law that the AG relied upon in pursuing its action against FFTP, to be unconstitutional. An earlier decision dismissed the AG's claim that FFTP had inflated its in-kind donation values. A final judgment is expected to be entered later this month.

"I am thrilled by this decision and the judge's agreement that Food For The Poor did not make false or fraudulent statements and that its solicitations are fully protected by the First Amendment," said Perlman & Perlman partner Tracy L. Boak, lead trial counsel for FFTP. "This is a precedent-setting decision that will compel other state charity regulators to be very thoughtful about how they pursue fraud claims against nonprofit organizations, especially those that rely on non-monetary donations to fulfill their missions. It is a grave injustice when a regulator's zeal impedes a trustworthy charity from doing its important work."

"It has been difficult for FFTP to have this accusation dangling over our head, especially when FFTP was not afforded due process before the accusations were made public by California," said FFTP President/CEO Ed Raine. "We are grateful to our donors for staying by our side so faithfully and continuing to do the important work of transforming lives. We would not have held out to fight, if we did not think it was the right thing to do."

Food For The Poor, one of the largest international relief and development organizations in the nation, does much more than feed millions of hungry children and families living in poverty primarily in 17 countries of the Caribbean and Latin America. This interdenominational Christian ministry provides emergency relief assistance, clean water, medicine, educational materials, homes, support for orphaned and abandoned children, care for the aged, skills training and micro-enterprise development assistance. Since its founding in 1982, FFTP has provided billions of dollars in direct relief assistance to the poor by providing both cash and goods distributed through churches and charities operating in the areas of need.

About Perlman & Perlman

Since 1959, Perlman & Perlman has been providing legal counsel and representation to the philanthropic sector. Today, Perlman & Perlman serves hundreds of organizations across the United States and internationally. The firm's clients include a broad spectrum of well-known and respected nonprofits, private foundations, educational institutions and religious organizations of diverse size and geographic location.