



STATE OF INDIANA

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## **Terms of settlement in case against Associated Community Services (ACS)**

The terms of the settlements with the defendants, which are pending court approval, are as follows:

### **Associated Community Services Defendants**

Each of these defendants will be permanently prohibited from conducting or consulting on any fundraising activities and from conducting telemarketing of any kind to sell goods or services. In addition, they will be prohibited from using any existing donor lists and from further violations of state charitable giving laws, as well as from making any misrepresentation about a product or service. The defendants will be also be subject to the following monetary judgments:

- **Associated Community Services, Inc.; Community Services, Inc.; Central Processing Services, Inc.; and Richard “Dick” Cole** are subject to a monetary judgment of \$110,063,843, which is suspended due to an inability to pay.
- **Community Services Appeal, Inc. and Barbara Cole** are subject to a monetary judgment of \$110,063,843, which is partially suspended due to an inability to pay. Barbara Cole also will be required to turn over the proceeds of the sale of a vacation home in Michigan.
- **Robert W. “Bill” Burland and Amy J. Burland** are subject to a monetary judgment of \$110,063,843, which is partially suspended due to an inability to pay. Amy Burland will be required to turn over \$450,000.

### **Directele Defendants and ACS Senior Managers Scot Stepek and John Lucidi**

Each of these defendants will be permanently prohibited from any fundraising work or consulting on behalf of any charitable organization or any nonprofit organization that claims to work on behalf of causes similar to those outlined in the complaint. They will also be prohibited from using robocalls for any form of telemarketing, using abusive calling practices, or making any misrepresentation about a product or service. In addition, the defendants will be required to clearly and conspicuously disclose when a donation they are requesting is not tax deductible.

In addition, the two corporate defendants — Directele Inc. and The Dale Corporation — will be required to cease operations and dissolve.

The defendants will also be subject to the following monetary judgments:

- **Scot Stepek** will be subject to a monetary judgment of \$110,063,843, which is partially suspended due to an inability to pay. Stepek will be required to sell a ski boat in his possession and turn over the net proceeds from the sale.
- **Directele Inc., The Dale Corporation, Nikole Gilstorf, and Antonio Lia** will be subject to a monetary judgment of \$1.6 million. Gilstorf and Lia also will be subject to a judgment of \$110,063,843. The judgments are partially suspended due to an inability to pay. Gilstorf and Lia will each be required to turn over \$10,000.

- **John Lucidi** will be subject to a judgment of \$110,063,843, which is partially suspended due to an inability to pay. He will be required to turn over \$25,000.

Other state agencies joining in the case with Indiana Attorney General Todd Rokita and the FTC include the attorneys general of Alabama, California, Colorado, Connecticut, Delaware, the District of Columbia, Florida, Georgia, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, Tennessee, Texas, Utah, Virginia, Washington, West Virginia, Wisconsin, and Wyoming; the secretaries of state of Colorado, Georgia, Maryland, North Carolina, and Tennessee; and the Florida Department of Agriculture and Consumer Services and the Utah Division of Consumer Protection.

The funds being surrendered by the defendants will be paid to an escrow fund held by the State of Florida and, following a motion by the participating states and approval by the court, be contributed to one or more legitimate charities that support causes similar to those for which the defendants solicited.

The complaint and stipulations re orders were filed in the U.S. District Court for the Eastern District of Michigan.

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