STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF BUSINESS REGULATION
DIVISION OF SECURITIES
1511 PONTIAC AVENUE
JOHN O. PASTORE COMPLEX – BUILDING 69-1
CRANSTON, RI 02920

IN THE MATTER OF
HERITAGE FOUNDATION

CONSENT AGREEMENT

I.

The Securities Division (the "Division") of the Rhode Island Department of Business Regulation (the "Department") enters into this Consent Agreement ("Agreement") to resolve concerns that Sections 5-53.1-2, 5-53.1-2(e), and 5-53.1-7(8)(i) of the Solicitation by Charitable Organizations Act (the “Act”), Chapter 5-53.1 et seq. of the Rhode Island General Laws, may have been violated by the Heritage Foundation ("Heritage"). The Division has determined to resolve this matter, after investigation but without instituting administrative proceedings, by entering into this Agreement.

II.

It is hereby agreed by and between the Division and Heritage that:

1. Heritage is a charitable organization with a principal place of business at 214 Massachusetts Avenue, NE, Washington, DC 20002.

2. At all times relevant to this agreement, it has been unlawful for a charity to solicit
contributions in this State unless properly registered in accordance with §5-53.1-2 or exempt there from pursuant to §5-53.1-3 of the Act.

3. Registration records maintained by the Division indicate that Heritage first registered as a charitable organization seeking to solicit contributions in Rhode Island in June 1993 and has continued to renew its registration annually, even though it has occasionally been filed late. Heritage’s registration expired on May 26, 2010.

4. On August 16, 2010, the Division received Heritage’s re-registration application. Pursuant to the Act, this re-registration application is required to be submitted thirty (30) days prior to the date of expiration. Such late submission constitutes a violation of §5-53.1-2 (e).

5. In August 2010, the Division notified Heritage of the renewal deficiency and requested that Heritage provide the Division with the number of charitable solicitations it conducted during the time period that it failed to maintain a valid registration; and also to submit its audited financial statement for the same period.

6. On January 25, 2011, the Division received a response to the request in which Heritage indicated that it mailed nineteen thousand nine hundred eighty seven ("19,987") charitable solicitations to Rhode Island residents and received seventeen thousand, nine hundred fifty dollars ("17,950.00") in contributions from residents of Rhode Island during the unregistered time-period.

7. It is the position of the Division that the late submission of its renewal registration by Heritage constitutes a violation of §5-53.1-2 (e) of the Act that requires a renewal registration be submitted prior to the expiration of the then current registration. Specifically, the Act reads: (e)
Registration under this section shall expire one year following the approval of the application by the department. Re-registration shall also be for a similar period of one year and may be effected by filing an application no later than thirty (30) days prior to the expiration of the prior registration.

8. Further, it is the position of the Division that the charitable solicitations made to Rhode Island residents by Heritage during the period when it failed to maintain its registration as a charitable organization in this State constitutes a violation of §5-53.1-2 and §5-53.1-7(8)(i).

III.

Based on the foregoing, the Division finds that the following is in the public interest, appropriate for the protection of donors to charitable organizations, and consistent with the purposes intended by the provisions of the Solicitation by Charitable Organizations Act.

Accordingly, it is hereby further agreed that:

1. Heritage shall immediately undertake to comply fully with the Solicitation by Charitable Organizations Act §5-53.1 et seq.

2. Heritage shall, upon signing the Agreement, pay an administrative penalty in the amount of Five Hundred Dollars ($500.00) to the General Treasurer State of Rhode Island.

3. Heritage will ensure that the Division, no later than thirty (30) days prior to the date of expiration in accordance with §5-53.1-2 (e), receives its re-registration application.

4. Upon the Division's execution of this Agreement, Heritage will be registered until May 25, 2011, and Heritage will maintain its registration in accordance with §5-53.1-2, and §5-53.1-7(8)(i).
5. Additional violations of the Solicitation by Charitable Organizations Act may be grounds for significant and substantial penalties such as revocation or suspension, administrative penalties up to one thousand dollars ($1,000.00) per violation and the imposition of criminal and civil sanctions.

Dated this 6th day of July, 2011.

Maria L. D'Alessandro, Deputy Director of Securities, Commercial Licensing and Racing and Athletics

Heritage Foundation

By: __________________________

Its: Controller

On this 29th day of June, 2011 appeared before me Vern McHargue who executed the foregoing Consent Agreement and who duly acknowledged to me that he/she was authorized to do so.

Freida L. Warren
NOTARY PUBLIC
My Commission Expires:

Heritage.ca
am