

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 :
 :
 : CONSENT AGREEMENT
 :
NEWPORT ART MUSEUM & ART ASSOCIATION :
 :
 :

I.

The Securities Division ("Division") of the Rhode Island Department of Business Regulation ("Department") enters into this Consent Agreement ("Agreement") to resolve concerns that Section 5-53.1-2, 5-53.1-7(8)(i), and 5-53.1-2(13)(f) 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 Newport Art Museum & Art Association ("Newport Art Museum"). 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 Newport Art Museum that:

1. Newport Art Museum is a charitable organization with a principal place of business at 76 Bellevue Avenue, Newport, RI 02840.
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. Based upon information and belief, it is the position of the Division that from September 3, 1998 to the present:
4. Newport Art Museum solicited contributions as a charitable organization without benefit of registration, in violation of §5-53.1-2 and §5-53.1-7(8)(i).

5. Newport Art Museum entered into a contract with a professional fundraising counsel and failed to file, within thirty (30) days of signing, a true and correct copy of this contract with the Director in violation of §5-53.1-2(13)(f).

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

2. Newport Art Museum shall upon signing the Agreement agree to pay an administrative fine, which includes all past registration fees, in the amount of Five Thousand Dollars (\$5,000.00) to the Division.

3. Newport Art Museum will remit the Five Thousand Dollar (\$5,000.00) fine in Twelve (12) installments over the next consecutive Twelve (12) months. Upon execution of this Agreement, Newport Art Museum will submit an initial payment of Four Hundred Thirty-Five Dollar (\$435.00). The subsequent installments of Four Hundred Fifteen Dollars (\$415.00) will be due on the first day of each month for the next eleven consecutive months. Failure to maintain this schedule will constitute a violation of this Agreement. Prepayment of all, or any additional portion, of the fine will be acceptable as long as the total fine amount is received within the above mentioned time period.

4. Upon signing the Agreement, and maintaining the above payment schedule, Newport Art Museum will immediately become registered as a charitable organization and such registration will expire on September 2, 2009.

5. Newport Art Museum shall keep its registration current with the Division in accordance with §5-53.1-2.

6. Newport Art Museum will within Thirty (30) days of signing any agreement with a

professional fundraiser or professional fundraising counsel, forward a true and correct copy to this Division.

7. 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 as of the 12th day of September, 2008.

Maria L. D'Alessandro
Maria L. D'Alessandro, Associate Director and
Superintendent of Securities of Securities

Newport Art Museum & Art Association
By: Elizabeth C. Goddard
Its Acting Director

On this 9th day of September, 2008 appeared before me Elizabeth A. Goddard who executed the foregoing Consent Agreement and who duly acknowledged to me that he/she was authorized to do so.

NOTARY PUBLIC Robert J. Coulter Jr.
My Commission Expires: _____
ROBERT J. COULTER JR.
NOTARY PUBLIC
MY COMMISSION EXPIRES 1/2011

NEWPORT ART MUSEUM.CHAR.CA
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