



4. Crossova Concepts Management (“Crossova”) is a sole proprietorship operating under the laws of Vermont, with its principal place of business located at 699 Campbell Road, Irasburg, Vermont. Crossova is owned and controlled by Marcus Clay, a resident of Irasburg, Vermont and a former member of Mount Sinai Shriners. Crossova produces music events.

5. Respondents are registered with the Vermont Secretary of State to conduct business in Vermont.

### **BACKGROUND**

6. Shrinedom 2017 was a rock festival planned to take place on Saturday, September 16, 2017, in Irasburg, Vermont. Seven bands were contracted to play, including national acts Vince Neil, Slaughter, Warrant, Lita Ford and Firehouse, and local bands Raized on Radio and MindTrap.

7. On or about November 1, 2016, Mount Sinai Shriners contracted with Adam Johnson who created a non-profit organization called Kingdom Cares, Inc. for the purpose of organizing Shrinedom 2017. Johnson was allowed to advertise that the proceeds from Shrinedom 2017 would go to the Shriners, but the name Shrinedom 2017 was not one that was created by or belonged to Mt. Sinai Shriners. Johnson then contracted with Marcus Clay and his company, Crossova Concepts, to hire the bands and the production company for the concert.

8. The proceeds from the event were to benefit Mount Sinai Shriners. The event was organized by a non-profit corporation called Kingdom Cares, set up for this purpose by Adam Johnson.

9. Johnson had never organized a festival and was inexperienced in organizing fundraisers generally.

10. Clay had also never organized a festival of this scope. However, he had experience dealing with bands and production companies.

11. Despite the fact that neither Johnson nor Clay had a track record of producing festivals like the proposed Shrinedom 2017, Mount Sinai Shriners provided Johnson with \$40,000 so that Johnson could make deposits with the bands and begin organizing the event. It was understood at the time that any further funds would be raised through ticket sales.

12. Kingdom Cares was entirely run and controlled by Johnson. Its Board did not hold any meetings. Johnson controlled all of the funds of Kingdom Cares. He did not keep thorough, accurate records, and he occasionally took money from the Kingdom Cares funds, which he usually repaid.

13. Over the course of its life, Kingdom Cares claims that it raised approximately \$50,000 – up to \$40,000 from ticket sales and the remainder from vendors and donations. Kingdom Cares also collected \$95,000.00 from the Shriners. Kingdom Cares alleges that it accumulated expenditures of \$267,193.84.

14. After review of available records, approximately 1% (\$2,800.00) of the Kingdom Cares funds could not be accounted for and may have been spent on meals or other incidentals.

15. Crossova was responsible for securing the talent and hiring the production company for the event. Though Crossova sold a small number of tickets for cash or “comped” others, the majority of money collected came through ticket sellers that transferred funds directly to Kingdom Cares.

16. Tickets to the concert cost between \$45 and \$125. Due to the size of the festival and the number of bands performing, and all other debts incurred, in order for the concert to be a financial success it would have had to sell between approximately 4,000 and 6,000 tickets.

17. The evidence provided by Respondents is inconclusive as to the exact number of tickets sold or the amount raised. Respondent Johnson has provided bank statements showing that as of September 5, 2017, the promoters had sold 500 tickets and raised approximately \$24,650.00. Respondent Clay disputes this amount and alleges that approximately 1000 tickets were likely sold, the additional sales being in cash.

18. On or about August 10, 2017, based upon representations that most of the ticket sales would materialize later, including at the gate on the day of the event, Johnson requested, and Mount Sinai Shriners provided, an additional \$55,000.00.

19. By late August 2017, not enough tickets had been sold to financially support the event. A more experienced event organizer would have recognized this and canceled or postponed the event.

20. Jeff Bland represented Blando Productions, and has experience promoting concerts. He had provided advice and guidance in producing Shrinedom 2017. In late August 2017, Mr. Bland provided his opinion that, based on the number of tickets sold to date, not enough money had been raised to financially support the festival. He suggested that the festival be delayed.

21. Respondents did not postpone the event. The Shriners allege that they were never informed of the conversation with Mr. Bland.

22. On September 16, 2017, the day of the Festival, Johnson alleges that he had raised approximately \$50,000, including money from vendors and donations, but not including the \$95,000.00 from the Shriners. This was not enough money to cover all expenses, including paying the various vendors and bands. The bands were informed that there were issues with generators rather than tell them that there simply wasn't enough money to pay them.

23. The local bands and the Nashville Country Band performed the festival, and the Nashville Country Band was paid. The other bands did not perform however, as they had not been fully paid.

24. The number of attendees at the festival, and therefore the number of tickets sold, is under dispute. Respondent Johnson has provided evidence that approximately 500 consumers purchased tickets. The Chief Deputy Sheriff, who was present at the event, estimates that 300-600 people were in attendance. News accounts have stated that over 1,000 people may have been present and reported up to 1,600 tickets sold.

25. The representation that large national acts would perform was material to consumers' decision to purchase tickets to the festival.

26. Most of the income from tickets was paid through Paypal. PayPal has reimbursed approximately \$9,300.

27. Respondents admit the truth of all facts set forth in the Background section.

28. The Attorney General alleges that the above conduct constitutes unfair and deceptive acts and practices under 9 V.S.A. § 2453.

### **INJUNCTIVE RELIEF**

#### **Adam Johnson**

29. Respondent Adam Johnson shall dissolve Kingdom Cares within 14 days of signing this Assurance.

30. Respondent Adam Johnson shall not direct any fundraising efforts for a period of five years. Should Respondent Adam Johnson engage in fundraising efforts after five years, he shall comply with the Consumer Protection Act and take all efforts to ensure that donations are handled appropriately, and consumers receive any consideration bargained for.

31. Upon submission and review of tax returns for the years 2015, 2016, and 2017, credit report from three credit reporting agencies, banking statements for the past year, and a current statement of assets and liabilities, it has been determined by the Office of the Attorney General that Johnson is currently unable to pay the restitution set forth in paragraphs 39-43, below. Based on Johnson's demonstrated inability to pay, Johnson is not required to reimburse the Shriners for restitution, subject to the conditions set forth below.

32. No later than November 1 of each calendar year beginning in 2019 and ending in 2021, Johnson shall submit to the Vermont Attorney General's Office accurate copies of his income tax returns for each of the calendar years 2018 through 2020, respectively, along with sworn and accurate statements of his then-current assets and liabilities.

33. In the event an income tax return or statement of assets and liabilities required by paragraph 32, above, shows that Johnson has pre-tax income exceeding Forty-Five Thousand Dollars (\$45,000), and/or net assets exceeding Sixty Thousand Dollars (\$60,000), Johnson shall, no later than December 1 of that year, reimburse to the Shriners his share of the restitution fund, and shall have no further liability or further obligation to report to the Attorney General's Office. Following submission of his 2020 tax return, if it is determined that Johnson does not have pre-tax income exceeding Forty-Five Thousand Dollars (\$45,000), and/or net assets exceeding Sixty Thousand Dollars (\$60,000), then he shall have no further liability or further obligation to reimburse the Shriners.

**Marcus Clay**

34. Respondent Marcus Clay shall not produce any events involving an audience of greater than 1,000 participants in Vermont for a period of five years.

35. Should Respondent Marcus Clay produce any events in Vermont, he shall comply with the Consumer Protection Act.

36. As Respondent Clay is currently undergoing bankruptcy proceedings, it has been determined by the Office of the Attorney General that Clay is currently unable to pay the restitution set forth in paragraphs 39-43, below. Based on Clay's demonstrated inability to pay, Clay is not required to reimburse the Shriners for restitution, subject to the conditions set forth below.

37. In the event that Clay prevails in any lawsuit by settlement or judgment against the Shriners relating to payment for services rendered for the production of Shrinedom 2017, the Shriners shall deduct from any payment due, after payment of attorneys' fees and costs, the amount owed by Clay to the restitution fund.

#### **Mount Sinai Shriners**

38. Respondent Mount Sinai Shriners shall implement training, policies and procedures to provide reasonable safeguards such that any future fundraising endeavors to which Respondent permits the use of the Shriners name has been sufficiently vetted and reviewed.

#### **RESTITUTION**

39. Within 30 days of signing this Assurance of Discontinuance, the Attorney General shall provide notice to consumers of this restitution program.

40. Consumers will have 90 days to respond to notice. Consumers seeking restitution will be required to provide proof of purchase or to certify under penalty of perjury that they purchased a Shrinedom 2017 ticket, the amount of money spent, and that they have not been reimbursed. Responses shall be sent to Respondent Mount Sinai Shriners.

41. Consumers may elect to make a charitable contribution to the Shriners in lieu of a refund.

42. Within 150 days of signing this Assurance of Discontinuance, Respondents will refund any consumer who has complied with the previous paragraph, up to a total of \$10,000. If more than \$10,000 in refunds are demanded, payments will be prorated. Within this time period, Respondent Mount Sinai Shriners shall provide proof of charitable donation to any consumer forgoing a refund as per the previous paragraph.

43. The amount owed to the restitution fund shall equally split amongst the Respondents. The total restitution fund will be initially provided by the Shriners, to be reimbursed by the other two Respondents as described in paragraphs 31-33 and 36-37.

44. Respondents will provide the Attorney General with a list of all consumers who received reimbursement and the amount received.

#### **REPORTING**

45. To determine or secure compliance with this Assurance of Discontinuance, on reasonable notice given to any Respondent, subject to any lawful privilege, Respondent shall submit written reports, under oath if requested, with respect to any matters contained in this Assurance of Discontinuance.

#### **OTHER TERMS**

46. Each Respondent agrees that this Assurance of Discontinuance shall be binding on Respondent, and their successors and assigns.

47. The Attorney General hereby releases and discharges any and all claims arising under the Consumer Protection Act, 9 V.S.A. §§ 2451-2480, that it may have against Respondents for the conduct described in the Background section between the dates of October 1, 2016 and the date of signing this Assurance.



48. The Superior Court of the State of Vermont, Washington Unit, shall have jurisdiction over this Assurance and the parties hereto for the purpose of enabling the Attorney General to apply to this Court at any time for orders and directions as may be necessary or appropriate to enforce compliance with or to punish violations of this Assurance of Discontinuance.

49. Acceptance of this AOD by the Vermont Attorney General's Office shall not be deemed approval by the Attorney General of any practices or procedures of any Respondent not required by this AOD, and Respondents shall make no representation to the contrary.

#### **SUSPENDED PENALTIES**

50. This Assurance of Discontinuance is expressly premised upon the truthfulness, accuracy, and completeness of Respondents' submissions and responses to the Attorney General's inquiries.

51. If, upon motion by the Attorney General, the Court finds that any Respondent failed to disclose any material information, materially misstated any financial information, or made any other material misstatement or omission, that Respondent shall pay a penalty of \$10,000.

#### **STIPULATED PENALTIES**

52. If the Superior Court of the State of Vermont, Washington Unit enters an order finding any Respondent to be in violation of this Assurance of Discontinuance, then the parties agree that penalties to be assessed by the Court for each act in violation of this Assurance of Discontinuance by that Respondent shall be \$5,000.

#### **NOTICE**

53. Respondent Mount Sinai Shriners may be located at 2 Academy Street, Barre, VT 05641.

54. Respondents Adam Johnson and Kingdom Cares may be located at 81 Creek Rd, Irasburg, VT 05845.

55. Respondents Marcus Clay and Crossova Concepts Management may be located at 699 Campbell Rd, Irasburg, VT, 05845.


56. In the event that a Respondent or any of its officers or directors obtains any ownership or managerial interest in a business that engages in activities similar to those described in paragraphs 6-8, Respondent shall notify the Attorney General of the name and address of the business.

**SIGNATURE**

In lieu of instituting an action or proceeding against Respondent, the Office of the Attorney General, pursuant to 9 V.S.A. § 2459, accepts this Assurance of Discontinuance. By signing below, Respondent voluntarily agrees with and submits to the terms of this Assurance of Discontinuance.

By Mount Sinai Shriners:

DATED at 5:23 PM, this 18 day of June, 2018.

 Potentate 2018

By Adam Johnson and Kingdom Cares:

DATED at \_\_\_\_\_, this \_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_

By Marcus Clay and Crossova Concepts Management:

DATED at \_\_\_\_\_, this \_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_

**SIGNATURE**

In lieu of instituting an action or proceeding against Respondent, the Office of the Attorney General, pursuant to 9 V.S.A. § 2459, accepts this Assurance of Discontinuance. By signing below, Respondent voluntarily agrees with and submits to the terms of this Assurance of Discontinuance.

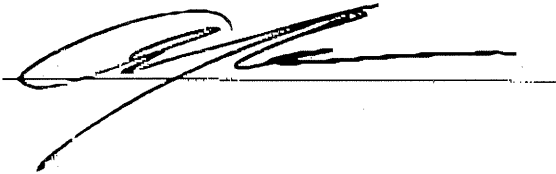
By Mount Sinai Shriners:

DATED at \_\_\_\_\_, this \_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_

By Adam Johnson and Kingdom Cares:

DATED at Irasburg VT, this 18 day of June, 2018.

\_\_\_\_\_

By Marcus Clay and Crossova Concepts Management:

DATED at \_\_\_\_\_, this \_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_

**SIGNATURE**

In lieu of instituting an action or proceeding against Respondent, the Office of the Attorney General, pursuant to 9 V.S.A. § 2459, accepts this Assurance of Discontinuance. By signing below, Respondent voluntarily agrees with and submits to the terms of this Assurance of Discontinuance.

By Mount Sinai Shriners:

DATED at \_\_\_\_\_, this \_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_

By Adam Johnson and Kingdom Cares:

DATED at \_\_\_\_\_, this \_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_

By Marcus Clay and Crossova Concepts Management:

DATED at 9:42 Pm, this 1 day of June, 2018.  
Wrasburg, VT.

Marcus Clay

\_\_\_\_\_

ACCEPTED on behalf of the Attorney General:

DATED at Montpelier, Vermont this 19<sup>th</sup> day of JUNE, 2018.

STATE OF VERMONT

THOMAS J. DONOVAN, JR.  
ATTORNEY GENERAL

By:



Ryan Kriger  
Assistant Attorney General  
Office of Attorney General  
109 State Street  
Montpelier, Vermont 05609  
ryan.kriger@vermont.gov  
802-828-3170