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Attorneys for the People of the State of California

**Exempt from Filing and Reporter
Fees—Gov. Code, § 6103**

11 SUPERIOR COURT OF THE STATE OF CALIFORNIA
12 COUNTY OF SACRAMENTO

14 **THE PEOPLE OF THE STATE OF
15 CALIFORNIA,**

16 **Plaintiff,**

17 **v.**

18 **MOVE AMERICA FORWARD, A
19 CALIFORNIA NONPROFIT PUBLIC
20 BENEFIT CORPORATION; SALVATORE
21 RUSSO; MELANIE SWANSON (AKA
22 MELANIE MORGAN); HOWARD
23 KALOOGLIAN; SHAWN CALLAHAN;
24 RUSSO MARSH & ASSOCIATES, INC.,
25 AND DOES 1 THROUGH 50, INCLUSIVE,**

26 **Defendants.**

Case No. 34-2019-00261222

**STIPULATION FOR ENTRY OF FINAL
JUDGMENT (Code Civ. Proc., § 664.6)**

Action Filed: July 24, 2019
FAC Filed: December 23, 2020
Trial Date: March 6, 2023

26 Pursuant to Code of Civil Procedure section 664.6, Plaintiff, the People of the State of
27 California (the “People”), hereby submit this stipulation with Defendants requesting that the
28 Court enter the [Proposed] Final Judgment (“Judgment”), attached as Exhibit A, as follows:

1 1. When parties to a lawsuit enter into a written settlement agreement to settle a case, Code
2 of Civil Procedure section 664.6 empowers courts to “enter judgment pursuant to the terms of the
3 settlement.”

4 2. Plaintiffs filed a complaint on July 24, 2019, commencing this lawsuit against
5 Defendants Move America Forward, a California nonprofit public benefit corporation, Salvatore
6 Russo, Melanie Swanson (aka Melanie Morgan), Howard Kaloogian, Shawn Callahan, and Russo
7 Marsh & Associates, Inc. (“Defendants”). The People’s Complaint alleged violations of
8 California’s charitable trusts laws, including the Supervision of Trustees and Fundraisers for
9 Charitable Purposes Act (Gov. Code, § 12580 et seq.) and the Nonprofit Public Benefit
10 Corporation Law (Corp. Code, § 5000 et seq.).

11 3. On February 9, 2023, the parties entered into a written settlement agreement
12 (“settlement”) pursuant to Code of Civil Procedure section 664.6 to resolve this lawsuit. The
13 settlement is attached to this stipulation as Exhibit B. The proposed Judgment provides that this
14 Court has jurisdiction over this matter; Defendants deny the allegations in the Complaint (except
15 that Defendants admit the facts necessary to establish jurisdiction); the settlement resolves all
16 matters in this lawsuit without trial or adjudication of any issue or law or fact; the Judgment does
17 not constitute evidence of an admission of fault or liability by the Defendants; and Defendants
18 waive all rights to appeal, challenge, or contest the validity of the Judgment. (Ex. A, p. 2, lines 6-
19 8; ¶¶ 1-3.)

20 4. The parties request the Court to retain jurisdiction to enforce the settlement until
21 performance in full of the settlement’s terms occurs, pursuant to Code of Civil Procedure section
22 664.6. This request is consistent with the proposed Judgment’s terms. (Ex. A, p. 4, ¶ 8.)
23 Performance from the Defendants includes payment of monetary relief, and injunctive relief.
24 (Ex. A, pp. 2-3, ¶¶ 4-6.)

25 ///

26 ///

27 ///

28 ///

1 5. Accordingly, the parties request the Court to enter the proposed Judgment pursuant to
2 Code of Civil Procedure section 664.6.

3 **IT IS SO STIPULATED.**

4
5 Dated: February 9, 2023

Respectfully Submitted,

6 ROB BONTA
7 Attorney General of California
8 ELIZABETH S. KIM
9 Supervising Deputy Attorney General

10 

11 DIANE P. CRAGG
12 Deputy Attorney General
13 BRIAN ARMSTRONG
14 Deputy Attorney General
15 Attorneys for the People of the State of
16 California

17 Dated: February 9, 2023

ROPERS MAJESKI PC

18 

19 MICHON M. SPINELLI
20 CARLA N. BRAUNSTEIN
21 Attorneys for Defendants Move America
22 Forward, Salvatore Russo, Russo, March &
23 Associates, Inc., Melanie Swanson (aka
24 Melanie Morgan), Howard Kaloogian and
25 Shawn Callahan

26 SF2019201656

EXHIBIT A

[Proposed] Final Judgment

1 ROB BONTA
Attorney General of California
2 TANIA M. IBANEZ
Senior Assistant Attorney General
3 ELIZABETH S. KIM
Supervising Deputy Attorney General
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Attorneys for the People of the State of California

**Exempt from Filing and Reporter
Fees—Gov. Code, § 6103**

11 SUPERIOR COURT OF THE STATE OF CALIFORNIA
12 COUNTY OF SACRAMENTO

14 **THE PEOPLE OF THE STATE OF
15 CALIFORNIA,**

16 **Plaintiff,**

17 **v.**

18 **MOVE AMERICA FORWARD, A
19 CALIFORNIA NONPROFIT PUBLIC
20 BENEFIT CORPORATION; SALVATORE
21 RUSSO; MELANIE SWANSON (AKA
22 MELANIE MORGAN); HOWARD
23 KALOOGLIAN; SHAWN CALLAHAN;
24 RUSSO MARSH & ASSOCIATES, INC.,
25 AND DOES 1 THROUGH 50, INCLUSIVE,**

26 **Defendants.**

Case No. 34-2019-00261222

[PROPOSED] FINAL JUDGMENT

Action Filed: July 24, 2019
FAC Filed: December 23, 2020
Trial Date: March 6, 2023

26 Plaintiff, the People of the State of California (the “People”), by and through Rob Bonta,
27 the Attorney General of the State of California, filed their Complaint against Defendants Move
28 America Forward, a California nonprofit public benefit corporation, and its directors and officers,

1 Salvatore Russo, Melanie Swanson (aka Melanie Morgan), Howard Kaloogian, Shawn Callahan,
2 and Russo’s for-profit company, Russo Marsh & Associates, Inc. (“Defendants”) (collectively
3 the “Parties”). The People’s Complaint alleged violations of California’s charitable trusts laws,
4 including the Supervision of Trustees and Fundraisers for Charitable Purposes Act (Gov. Code, §
5 12580 et seq.) and the Nonprofit Public Benefit Corporation Law (Corp. Code, § 5000 et seq.).

6 The parties have settled their dispute and stipulated in writing to the entry of this Final
7 Judgment (“Judgment”) pursuant to Code of Civil Procedure section 664.6, to resolve all matters
8 in this action without trial or adjudication of any issue or law or fact.

9 Good cause therefore appearing, **IT IS HEREBY ORDERED, ADJUDGED, AND**
10 **DECREED:**

11 **FINDINGS**

- 12 1. This Court has jurisdiction over this matter.
- 13 2. Defendants deny the allegations in the Complaint, except that Defendants admit the
14 facts necessary to establish jurisdiction. This Judgment does not constitute evidence of admission
15 of fault or liability by the Defendants.
- 16 3. Defendants waive all rights to appeal or otherwise challenge or contest the validity of
17 this Judgment, or any of its terms.

18 **MONETARY TERMS**

- 19 4. Defendants shall make payment of One Hundred Thousand Dollars (\$100,000.00) by
20 check payable to the California Department of Justice, within 45 days of execution of the
21 Settlement Agreement between the Parties. If payment is not made by that date, interest shall
22 begin to accrue at the legal rate until the payment is made. The check shall be delivered to the
23 California Department of Justice, Office of the Attorney General, 455 Golden Gate Avenue, Suite
24 11000, San Francisco, CA 94102-7004, care of Deputies Attorney General Diane Cragg and
25 Brian Armstrong.

26 **INJUNCTIVE TERMS**

- 27 5. Defendant Salvatore Russo confirms his plan to step down and retire from his
28 position as a director on MAF’s board, and from his positions as MAF’s chief strategist, secretary

1 and treasurer, by January 20, 2023. Further, as to MAF, Defendant Salvatore Russo shall no
2 longer: (1) act as a director, officer, trustee, manager, supervisor, or other fiduciary, or (2) hold,
3 manage, direct, or control funds or assets. Defendant Salvatore Russo shall comply with the
4 foregoing should he volunteer for MAF thereafter, and shall not be compensated by MAF for
5 volunteer work. Defendant Russo, Marsh & Associates, Inc. may continue to provide services to
6 MAF, but not after July 31, 2023, and Defendant Salvatore Russo shall not provide services to
7 MAF through another business.

8 6. Upon execution of this Settlement Agreement, all Defendants agree that they will
9 continue to abide by Internal Revenue Code section 501(c)(3), 26 Treasury Regulation section
10 1.501(c)(3)-1, and paragraph IV.B. of MAF's Articles of Incorporation with respect to MAF. In
11 addition, all Defendants but MAF will continue to abide by Internal Revenue Code section
12 501(c)(3) and 26 Treasury Regulation section 1.501(c)(3)-1 with respect to any nonprofit
13 organization that does business in California and is tax exempt under Internal Revenue Code
14 section 501(c)(3).

15 **ADDITIONAL TERMS**

16 7. Any notices or communications required to be transmitted between the parties
17 pursuant to this Judgment shall be sent to the below persons, or to their successors, in writing by
18 first class mail, overnight delivery, or electronic mail:

19 a. To the People; Deputies Attorney General Diane P. Cragg and Brian
20 Armstrong; California Department of Justice, Office of the Attorney General, 455 Golden Gate
21 Avenue, Suite 11000, San Francisco, CA 94102-7004; diane.cragg@doj.ca.gov and
22 brian.armstrong@doj.ca.gov.

23 b. To Defendants: Michon M. Spinelli and Carla N. Braunstein; Ropers Majeski
24 PC, 535 Middlefield Road, Suite 245, Menlo Park, CA 94025; michon.spinelli@ropers.com and
25 carla.braunstein@ropers.com.

26 Any notices provided pursuant to this Judgment shall be deemed given five (5) days after
27 mailing by first class mail or one (1) business day after electronic mail transmission, overnight
28 delivery, or personal service.

1 8. As requested by the Parties, this Court shall retain jurisdiction of this matter for the
2 purpose of enabling any party to this Judgment to apply to the Court at any time for orders and
3 direction as are necessary or appropriate for the construction and carrying out of this Judgment,
4 including for the enforcement of any terms, punishment of any violation of its terms, or
5 modification of any terms pursuant to Code of Civil Procedure section 664.6. The terms and
6 enforcement of this Judgment shall be governed by the laws of the State of California, and venue
7 shall be in the Superior Court of California, County of Sacramento.

8 9. In any action or motion brought by a party to enforce this Judgment in which the
9 party obtains any or all of the relief sought, the prevailing party shall be entitled to attorney's fees
10 and costs in addition to any other remedies provided by law.

11 10. This Judgment shall be binding and effective immediately upon entry by the clerk of
12 this Court, and the Clerk is ordered to enter Final Judgment.

13
14
15 Dated: _____ Judge of the Superior Court

16
17
18
19
20 SF2019201656

EXHIBIT B

Settlement Agreement

SETTLEMENT AGREEMENT

I. Parties

The People of the State of California (the “People”) enter into this Settlement Agreement with Defendants Move America Forward (“MAF”), a California nonprofit public benefit corporation (CT 126661, Corp. No. 2654177, FEIN 841627277), Russo, Marsh & Associates, Inc. (Corp. No. 0966879), Salvatore Russo, individually and in his capacity as director of MAF, Melanie Swanson (aka Melanie Morgan), individually and in her capacity as director of MAF, Howard Kaloogian, individually and in his capacity as director of MAF, and Shawn Callahan, individually and in his capacity as officer of MAF (collectively the “Settling Parties”) to settle People’s First Amended Complaint (“Complaint”), filed December 23, 2020 in the Sacramento County Superior Court, Case No. 34-2019-00261222.

II. Recitals

A. MAF is a California nonprofit public benefit corporation, Corporation number 2654177, and is registered with the Attorney General’s Registry of Charitable Trusts, registration number CT 126661. As a nonprofit, MAF’s assets are, and always have been, impressed with a charitable trust for the benefit of the People.

B. The Attorney General of the State of California is responsible for supervising charitable organizations and charitable trusts and protecting charitable assets for the People of the State of California. As part of this duty, the Attorney General initiated an audit of MAF and the audit resulted in a complaint filed against Defendants in the Sacramento County Superior Court alleging violations of California’s laws, including the Supervision of Trustees and Fundraisers for Charitable Purposes Act (Gov. Code, § 12580 et seq.), the Nonprofit Corporation Law (Corp. Code, § 5000, et seq.), and the Charitable Solicitations Law (Bus. & Prof. Code, § 17510, et seq.), and specifically: (1) breach of fiduciary duty, (2) aiding and abetting breach of fiduciary duty, (3) self-dealing, (4) unjust enrichment, (5) deceptive and misleading solicitations, (6) false reports, (7) inadequate and incorrect books and records, and (8) unfair competition. Except as to jurisdiction and venue, Defendants deny the allegations.

C. The Settling Parties, each of whom desires to avoid the expense, uncertainty, and inconvenience of litigation or other administrative action, agree to resolve this matter upon the terms and conditions stated in this Settlement Agreement.

III. Agreement

A. **Injunctive Relief.** Defendant Salvatore Russo confirms his plan to step down and retire from his position as a director on MAF’s board, and from his positions as MAF’s chief strategist, secretary and treasurer, by January 20, 2023. Further, as to MAF, Defendant Salvatore Russo shall no longer: (1) act as a director, officer, trustee,

manager, supervisor, or other fiduciary, or (2) hold, manage, direct, or control funds or assets. Defendant Salvatore Russo shall comply with the foregoing should he volunteer for MAF thereafter, and shall not be compensated by MAF for volunteer work. Defendant Russo, Marsh & Associates, Inc. may continue to provide services to MAF, but not after July 31, 2023, and Defendant Salvatore Russo shall not provide services to MAF through another business.

Upon execution of this Settlement Agreement, all Defendants agree that they will continue to abide by Internal Revenue Code section 501(c)(3), 26 Treasury Regulation section 1.501(c)(3)-1, and paragraph IV.B. of MAF's Articles of Incorporation with respect to MAF. In addition, all Defendants but MAF will continue to abide by Internal Revenue Code section 501(c)(3) and 26 Treasury Regulation section 1.501(c)(3)-1 with respect to any nonprofit organization that does business in California and is tax exempt under Internal Revenue Code section 501(c)(3).

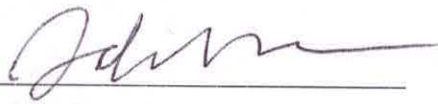
- B. Monetary Relief.** Defendants shall make payment of One Hundred Thousand Dollars (\$100,000.00) by check payable to the California Department of Justice in one lump sum within 45 days of execution of this Settlement Agreement. If full payment is not made within 45 days of execution of this Settlement Agreement, interest at the legal rate of 10 percent per year shall accrue on any unpaid amount beginning on the 45th day after execution of this Settlement Agreement until paid in full. All fees and costs paid pursuant to this paragraph shall be used by the Department of Justice solely for the administration of the Attorney General's charitable trust enforcement responsibilities. (Gov. Code, § 12586.2.) Defendants agree to bear their own attorneys' fees and costs.
- C. No Admission.** The Settling Parties agree that nothing in the Settlement Agreement is intended to be and shall not be deemed or construed to be an admission of any liability or wrongdoing by the settling Defendants. This Settlement Agreement is made without adjudication of any alleged issue of fact or law and without a finding of liability of any kind.
- D. Release.** Upon execution of this Settlement Agreement with retention of jurisdiction pursuant to California Code of Civil Procedure, Section 664.6, the People release and forever discharge Defendants MAF, Salvatore Russo, Russo, Marsh & Associates, Inc., Melanie Swanson (aka Melanie Morgan), Howard Kaloogian and Shawn Callahan ("Releasees") from the conduct alleged in the People's Complaint. Because the release provided by the People is a specific release, Civil Code section 1542 which pertains to general releases does not apply. This release and discharge shall not be construed to limit or prevent any Party's ability to enforce the terms of this Agreement. Nothing

contained in this Settlement Agreement and any related Order or shall relieve any Releasee of any obligations under any other order, judgment, agreement, assurance, or administrative order relating to charitable organizations, nor shall it relieve them of their obligations to comply with any other state or federal law.

- E. Retention of Jurisdiction.** The Court is requested to retain jurisdiction over the Settling Parties to enforce this Settlement Agreement pursuant to Code of Civil Procedure, section 664.6, and the Settling Parties may enforce this Settlement Agreement in Sacramento County Superior Court pursuant to Code of Civil Procedure, section 664.6. In any action or motion brought by the Settling Parties to enforce this Settlement Agreement, the prevailing party shall be entitled to attorney's fees and costs in addition to any other remedies provided by law.
- F. Scope.** This Settlement Agreement does not affect the rights of persons or entities not parties to this Settlement Agreement.
- G. Additional provisions.**
1. This Settlement Agreement shall be construed and enforced in accordance with the laws of the State of California.
 2. The Settling Parties have carefully read this agreement and all of its terms.
 3. The Settling Parties represent and warrant that each has the full legal right and authority to execute this Settlement Agreement. The Parties have voluntarily signed this Settlement Agreement.

Acknowledged and Agreed by:

Date: 2-8-23



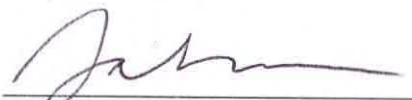
MOVE AMERICA FORWARD

Date: 2-8-23



SALVATORE RUSSO

Date: 2-8-23



SALVATORE RUSSO for
RUSSO, MARSH & ASSOCIATES, INC.

Date: _____

MELANIE SWANSON (AKA MELANIE MORGAN)

Date: _____

HOWARD KALOOGIAN



Date: 2-8-2023

SHAWN CALLAHAN

Approved as to Form by:

ROPERS MAJESKI PC

Date: _____

Michon M. Spinelli
Attorneys for Defendants Move America Forward, Salvatore Russo, Russo, March & Associates, Inc., Melanie Swanson (aka Melanie Morgan), Howard Kaloogian and Shawn Callahan

ROB BONTA
Attorney General of California
TANIA M. IBANEZ
Senior Assistant Attorney General
ELIZABETH S. KIM
Supervising Deputy Attorney General

Date: _____

DIANE P. CRAGG
Deputy Attorney General
BRIAN ARMSTRONG
Deputy Attorney General
Attorneys for the People of the State of California

Date: 2/8/23

Melanie R. Swanson

MELANIE SWANSON (AKA MELANIE MORGAN)

Date: _____

HOWARD KALOOGIAN

Date: _____

SHAWN CALLAHAN

Approved as to Form by:

ROPERS MAJESKI PC

Date: _____

Michon M. Spinelli
Attorneys for Defendants Move America Forward, Salvatore Russo, Russo, March & Associates, Inc., Melanie Swanson (aka Melanie Morgan), Howard Kaloogian and Shawn Callahan

ROB BONTA
Attorney General of California
TANIA M. IBANEZ
Senior Assistant Attorney General
ELIZABETH S. KIM
Supervising Deputy Attorney General

Date: _____

DIANE P. CRAGG
Deputy Attorney General
BRIAN ARMSTRONG
Deputy Attorney General
Attorneys for the People of the State of California

Date: _____

Date: 2-9-2023

Date: _____

MELANIE SWANSON (AKA MELANIE MORGAN)

HOWARD KALOOGIAN

SHAWN CALLAHAN

Approved as to Form by:

Date: February 9, 2023

ROPERS MAJESKI PC



Michon M. Spinelli
Attorneys for Defendants Move America Forward, Salvatore Russo, Russo, March & Associates, Inc., Melanie Swanson (aka Melanie Morgan), Howard Kaloogian and Shawn Callahan

ROB BONTA
Attorney General of California
TANIA M. IBANEZ
Senior Assistant Attorney General
ELIZABETH S. KIM
Supervising Deputy Attorney General

Date: 2-9-2023



DIANE P. CRAGG
Deputy Attorney General
BRIAN ARMSTRONG
Deputy Attorney General
Attorneys for the People of the State of California

DECLARATION OF SERVICE BY E-MAIL

Case Name: **People v. Move America Forward, et al.**
No.: **34-2019-00261222**

I declare:

I am employed in the Office of the Attorney General, which is the office of a member of the California State Bar, at which member's direction this service is made. I am 18 years of age or older and not a party to this matter. I am familiar with the business practice at the Office of the Attorney General for collection and processing of correspondence for mailing with the United States Postal Service. In accordance with that practice, correspondence placed in the internal mail collection system at the Office of the Attorney General is deposited with the United States Postal Service with postage thereon fully prepaid that same day in the ordinary course of business.

On February 10, 2023, I served the attached **STIPULATION FOR ENTRY OF FINAL JUDGMENT** by transmitting a true copy via electronic mail, addressed as follows:

Todd A. Roberts, Esq.
E-mail Address: todd.roberts@ropers.com
Michon Spinelli, Esq.
E-mail Address: michon.spinelli@ropers.com
Alexandria C. Carraher, Esq.
E-mail Address: Alexandria.carraher@ropers.com
Carla N. Braunstein, Esq.
E-mail Address: Carla.braunstein@ropers.com

Laura Koozmin
E-mail Address: laura.koozmin@ropers.com
Mary McPherson
E-mail Address: mary.mcpherson@ropers.com
Ropers Majeski - Redwood City

I declare under penalty of perjury under the laws of the State of California and the United States of America the foregoing is true and correct and that this declaration was executed on February 10, 2023, at San Francisco, California.

C. Murphy
Declarant


Signature