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## **SNELL & WILMER PREVAILS AGAINST CALIFORNIA’S ATTORNEY GENERAL IN DEFENSE OF CHARITABLE ORGANIZATION**

**ORANGE COUNTY (February 21, 2011)** – Snell & Wilmer announced today that it successfully defended the Central Valley Friends of the House and its Board of Directors (Friends) winning eight of eight causes of action for the Central Valley Friends of the House and its Board of Directors (Friends), in a case brought by the California Attorney General in Madera County Superior Court. The court ruled against the Attorney General in this potentially precedent-setting case that defines the boundaries of a charitable board's fiduciary duties and what constitutes false advertising, illegal lotteries, and raffles under California law.

The case evolved from a Department of Justice investigation of Friends, which held collector car drawings to raise millions of dollars for the Ronald McDonald House Charities of the Central Valley in California. The investigation and subsequent lawsuit were drawn out over more than four years. The Attorney General brought eight causes of action against Friends, seeking millions of dollars in penalties, fines, punitive sanctions, and other monies from the charity as well as the individual board members. The Attorney General also sought an order dissolving the charity and prohibiting the individual defendants from continuing to do charitable work. After a lengthy trial, the court entered judgment against the Attorney General and in favor of Friends on all eight causes of action.

The Friends were defended by Snell & Wilmer Orange County partner Michael Reynolds, who served as lead trial attorney for the Friends, and associate Jeffrey Singletary. McCormick Barstow partner John McGregor served as co-counsel. The Court found in Friends’ favor on all eight counts, ruling that the defendants adequately accounted for the charity's finances, faithfully discharged their fiduciary duties, and properly conducted their fund-raising activities.

“I am delighted with the court’s decision which stated ‘the Court has no difficulty in concluding that Friends consisted of a small group of honest, hard-working, well-intentioned individuals, who performed an extremely beneficial service to their community in the operation of this charity.’ This has been a long fight and our team understood the broader implications an adverse ruling would have had on other charitable boards and their members,” said Reynolds.

### **About Snell & Wilmer L.L.P.**

Founded in 1938, Snell & Wilmer is a full-service business law firm with more than 400 attorneys practicing in nine locations throughout the western United States and in Mexico, including Los Angeles and Orange County, California; Phoenix and Tucson, Arizona; Denver, Colorado; Las Vegas and Reno, Nevada; Salt Lake City, Utah; and Los Cabos, Mexico. The firm represents clients ranging from large, publicly traded corporations to small businesses, individuals and entrepreneurs. For more information, visit [www.swlaw.com](http://www.swlaw.com).

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