

CAUSE NO. D-1-GV-09-002284

Filed in The District Court
of Travis County, Texas

BP DEC 21 2009
At SA
Amalia Rodriguez-Mendoza, Clerk

ATTORNEY GENERAL OF TEXAS
GREG ABBOTT,
On behalf of the Public Interest in Charity
Plaintiff,

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IN THE DISTRICT COURT

v.

OF TRAVIS COUNTY, TEXAS

THE HEALTH CARE
FOUNDATION, INC., d/b/a
OSTEOPATHIC HEALTH FOUNDATION
Defendant.

345th JUDICIAL DISTRICT

AGREED FINAL JUDGMENT

ON THIS DAY came on for hearing the above entitled and numbered cause. Appearing herein, PLAINTIFF, Attorney General Greg Abbott, and DEFENDANT, The Health Care Foundation, Inc., d/b/a Osteopathic Health Foundation ("The Foundation" or "Defendant"), parties to this action and consenting to the entry of this AGREED JUDGMENT, would show as follows: The Office of the Attorney General of Texas ("OAG"), on behalf of the public interest in charity and as the enforcement authority over charitable nonprofit corporations, filed this action against The Health Care Foundation, Inc., to address certain alleged operational, managerial, and accounting issues. This action was brought pursuant to the Texas Nonprofit Corporation Act, the Miscellaneous Corporation Laws Act, the Texas Property Code, and pursuant to the common law authority of the Attorney General to enforce and protect public charitable trusts, which include gifts for charitable purposes and gifts to charities and entities holding themselves out to be charities. The Attorney General alleges that Defendant breached fiduciary duties to the charitable giving public from whom it solicits donations and whom it serves. The Attorney General seeks injunctive and monetary relief for the above alleged violations of law.

The Foundation, a Texas nonprofit, charitable corporation, doing business in Texas, has cooperated with the OAG in working toward resolution of issues.

The parties, appearing by and through their respective attorneys of record, wish to resolve this matter amicably and, to that end, make the following stipulations and agree to the entry of this final judgment.

It is stipulated that the parties have compromised and settled all claims stated by Plaintiff, The Attorney General of Texas, in this cause.

The parties stipulate that this is a settlement in compromise of disputed claims and that neither party, Plaintiff nor Defendant, is making any admission or concession as to the validity of those claims.

It is further stipulated that Plaintiff and Defendant agree to, and do not contest, the entry of this judgment.

It is further stipulated that all parties agree to the entry of this judgment and that they have approved entry of this judgment.

Specifically, the Foundation has voluntarily agreed to take the following actions:

1. To dissolve the charitable foundation as soon as practicable after the filing of this Agreed Judgment but within no more than six (6) months following the filing of this Agreed Judgment and after an accounting of assets (the receipt and sufficiency of which is hereby acknowledged), transfer, pursuant to the Court's power of cy pres, all of the remaining assets of the Foundation to a similarly situated charitable foundation, specifically, UNT Health Science Center/TCOM Foundation, Inc., 3500 Camp Bowie Blvd., Fort Worth, Texas 76107-2699, as recommended by the Attorney General and determined by the Court, and which is within the Fort Worth, Texas community, an amount of which shall be a minimum of fifty thousand dollars (\$50,000.00);
2. To transfer, without recourse, to UNT Health Science Center/TCOM Foundation, Inc., a ten (10) year note, signed April 1, 2003, for the sale of property previously owned by the Foundation located at 3037 James Avenue, Fort Worth, Texas, such note paying \$118.70 per month;

3. To pay to the OAG the sum of \$1,050,000.00 to be distributed equally to the UNT Health Science Center/TCOM Foundation, Inc., and to Cook Children's Health Foundation, charitable health care foundations in the Fort Worth community, the funds to be used specifically for the provision of charitable health care services to the indigent.

THE COURT FINDS that the charitable foundations to which funds are to be distributed by the cy pres doctrine, the UNT Health Science Center/TCOM Foundation, Inc., and the Cook Children's Health Foundation, are financially sound, charitable foundations that provide programs that substantially benefit the Fort Worth area health care community and are proper, appropriate recipients of the funds delineated herein.

THE COURT FURTHER FINDS that the dissolution of the Health Care Foundation, Inc., and distribution of funds as agreed to by the Health Care Foundation, Inc. is an appropriate resolution under the Texas Nonprofit Corporations Act.

It is, therefore:

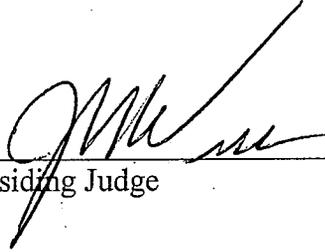
ORDERED, ADJUDGED, AND DECREED that any and all current or former officers, directors, and/or employees of the Foundation will not be involved in any decision regarding the distribution and/or use of the cy pres funds involved herein.

IT IS FURTHER AGREED AND ORDERED that Defendant will pay, by check(s) or money order(s), to the Attorney General of Texas the amount of **\$1,050,000.00**, referenced above and paid as referenced below, each check or money order bearing reference A.G.#052233657 in the memo section and delivered to Mary T. Henderson, Consumer Protection and Public Health Division, Office of the Attorney General of Texas, 300 W. 15th Street, 9th Floor, Austin, Texas, 78701, which will be distributed pursuant to the cy pres doctrine, in accordance with the following specific cy pres plan, within 60 days of entry of this Agreed Final Judgment: \$525,000.00 payable to "UNT Health Science Center/TCOM Foundation, Inc." located at 3500

Camp Bowie Blvd., Fort Worth, Texas 76107-2699, and \$525,000.00 payable to "Cook Children's Health Foundation," located at 801 Seventh Avenue, Fort Worth, Texas 76104, with the express condition that the funds be used to benefit the health care of low income citizens of the greater Fort Worth Community or to fund other programs reasonably targeted to benefit a substantial number of persons affected by the inability to afford health care in that community.

All relief not expressly granted herein is denied.

Signed this the 21st day of December, 2009.



Presiding Judge

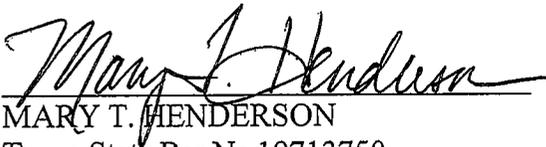
APPROVED AND ENTRY REQUESTED:

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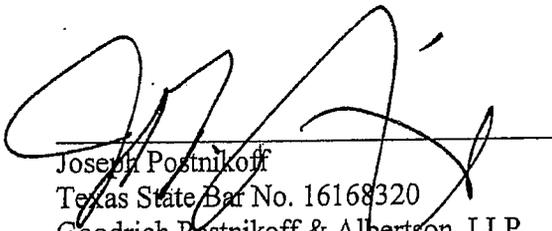
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HEALTH FOUNDATION, Defendant