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UNITED STATES DISTRICT COURT

EASTERN DISTRICT OF CALIFORNIA

SACRAMENTO PUBLIC LIBRARY AUTHORITY,

Plaintiff,

v.

SACRAMENTO PUBLIC LIBRARY FOUNDATION; APRIL L. JAVIST, its Executive Director; and JAMES DEERINGER, its President,

Defendants.

Case No.

COMPLAINT FOR:

1) **VIOLATION OF SECTION 43(a) OF THE LANHAM ACT,**
2) **VIOLATION OF CALIFORNIA COMMON LAW FOR TRADEMARK INFRINGEMENT AND UNFAIR COMPETITION,**
3) **VIOLATION OF CAL. BUS. & PROF. CODE § 17200,**
4) **VIOLATION OF CAL. BUS. & PROF. CODE § 17500.**
5) **FRAUD, INTENTIONAL MISREPRESENTATION;**
6) **NEGLIGENT MISREPRESENTATION;**
7) **ACCOUNTING; and**
8) **APPOINTMENT OF A RECEIVER**

DEMAND FOR JURY TRIAL

Plaintiff Sacramento Public Library Authority ("the Library" or "Plaintiff") for its Complaint against Defendant Sacramento Public Library Foundation ("the Foundation") and the Executive Director of the Foundation (April L. Javist) and the President of the

Foundation (James Deeringer) ("the Individual Defendants") (collectively, "Defendants") alleges, upon personal knowledge with respect to themselves and their acts, and upon information and belief as to all other matters, as follows:

BACKGROUND

The Library owns the name and mark SACRAMENTO PUBLIC LIBRARY ("Library's Mark" or "its Mark") with rights in its Mark going back to at least as early as 1977. When it was founded, Defendant Sacramento Public Library Foundation's specific purpose was "to raise private funds to promote and support the activities and programs of the Sacramento Public Library." Therefore, at that time, the Library gave the Foundation permission to make limited use of the Library's Mark for the purpose of fundraising for the Library, including calling itself the SACRAMENTO PUBLIC LIBRARY FOUNDATION.

However, rather than raising funds to support the Library's activities and programs, the Foundation now primarily promotes its own activities and non-library programs instead. Given this change and other disagreements between the parties, the Library advised the Foundation that it no longer has permission to use the Library's Mark. Yet, the Foundation continues to use the Library's Mark without the Library's permission. The Foundation's continued use of the Library's Mark is likely to mislead donors to the Foundation into believing that their donations will necessarily go to the Library.

The Library has repeatedly advised the Foundation that by using the Library's Mark to raise funds for non-library programs, the Foundation was misrepresenting itself to donors and the Sacramento community. In addition, the Foundation was no longer serving the purpose for which it was founded, to support the programs and activities of the Sacramento Public Library. The Foundation denied the Library's claims and continued to act with impunity in misrepresenting itself and its purpose.

Without telling its donors, the Foundation unilaterally terminated its Memorandum of Understanding ("MOU") with the Library in 2015. And in 2017, again without telling its donors, the Foundation amended its Articles of Incorporation purportedly to allow the Foundation to provide support to other community literacy programs. When the Library

asked the Foundation to address these issues, including obtaining permission to use Library's Mark, the Foundation refused. When the Library requested that the Foundation change its name to reflect its new purpose, the Foundation again refused. When the Library requested that the Foundation not use the Library's Mark, the Foundation scoffed.

On June 9, 2019, without telling the Library, the Foundation filed an application with the United States Patent and Trademark Office to register the mark SACRAMENTO PUBLIC LIBRARY FOUNDATION. The Foundation did this with full knowledge that the Mark SACRAMENTO PUBLIC LIBRARY belongs to the Library. When the Library discovered that the Foundation had filed the application, it demanded that the Foundation abandon the application or assign it to the Library. The Foundation refused and continued to pursue its application despite the Library's objections.

Then, on or about March 1, 2020, the Foundation changed its website to admit what it had previously denied, that the Foundation was "not endorsed, supported or affiliated" with the Library at all. In addition to effectively admitting to years of fraudulent misrepresentation and false advertising in seeking charitable donations, this admission also makes clear that a relationship between the Foundation and the Library can no longer be maintained. Indeed, the Library is informed and believes that on March 12, 2020, the Foundation's Board decided to sever its ties with the Library completely by removing the Library's representative from its Board and deleting all provisions that allowed the Library any oversight over the Foundation. First, the Foundation tried to take the Library's name for its own, and now it is seeking to take control of the millions of dollars in endowments that it holds for the benefit of the Library.

As a public agency, the Library cannot continue any relationship with a Foundation that has intentionally deceived donors and purposefully uses the Library's Mark without permission, and the Library cannot allow an entity that is not "endorsed, supported or affiliated" with the Library to hold and manage endowments for the Library over which the Library will have no input, oversight or control.

The Library regrets that its relationship with the Foundation has devolved to this point such that the Library now has no alternative but to bring this litigation in light of the Foundation's actions. The Foundation's continual, constant and on-going wrongdoing necessitates that this action must be filed in order to protect the Library, its Mark, its endowments, its donors, and the funds they have so generously given for the benefit of the Library, as well as the Sacramento community that the Library serves.

THE PARTIES

1. Plaintiff Sacramento Public Library Authority is a joint powers authority formed by the County of Sacramento and the Cities of Citrus Heights, Elk Grove, Galt, Isleton, Rancho Cordova, and Sacramento. The Authority operates and controls The Sacramento Public Library. The Library has 28 branches throughout Sacramento County. The Library is governed by a fifteen-member board comprised of elected officials appointed by its member jurisdictions. The Library's principal place of business is at 828 I Street, Sacramento CA 95814. The Library has a significant and substantial beneficial interest in the Foundation in that the Foundation continues to use the Library's Mark without permission, and in that the Foundation holds millions of dollars in endowment funds for the benefit of the Library.

2. Defendant Sacramento Public Library Foundation is a nonprofit 501(c)(3) corporation organized under the laws of the state of California with its principal place of business at 2411 Alhambra Blvd., Suite 120, Sacramento, CA 95817. The wrongful acts engaged in by the Foundation have taken place over years and continue to accrue even today.

3. Defendant April L. Javist is the Executive Director of the Foundation and has served in that capacity since at least 2008. In that capacity, she controls the day to day operations of the Foundation, including all public statements made by the Foundation and each of the matters raised in this action.

4. Defendant James Deeringer is the President of the Foundation. In that capacity he has authority and control over the operations of the Foundation, including all

public statements made by the Foundation. Since becoming President of the Foundation, Deeringer has become aware of the fact that the Foundation is operating in violation of the law and is not a recognized fundraising partner of the Library. Yet, Deeringer, who is an attorney, has failed to take any action to bring the Foundation into compliance with the law, and has willfully participated and encouraged the Foundation to operate in a manner that is not transparent to donors and does not comply with the laws governing operations of a non-profit public benefit corporation.

JURISDICTION AND VENUE

5. This Court has subject matter jurisdiction over the Library's claims under and pursuant to 15 U.S.C. § 1121 and 28 U.S.C. § 1338(a), as the claims arise under the federal Lanham Act, 15 U.S.C. §§ 1116-1127. This Court also has pendent jurisdiction over all related claims herein in accordance with 28 U.S.C. § 1338(b).

6. This Court has personal jurisdiction over the Foundation, which has a principal place of business within this judicial district and conducts its primary business in the State of California and within this judicial district, as well as the Individual Defendants who reside in this district and operate and control the operations of the Foundation in this district.

7. Venue is proper in this district pursuant to 28 U.S.C. § 1391(b), as the Foundation has a principal place of business and is doing business in this judicial district, a substantial part of the events giving rise to the claims alleged herein occurred in this judicial district, and the acts of infringement and fraud carried out by the Individual Defendants occurred in this judicial district.

LIBRARY'S TRADEMARK

8. The Library, formed in 1857, has used the mark SACRAMENTO PUBLIC FREE LIBRARY for its library services since at least as early as 1900.

9. Soon after, the Library became known as The Sacramento Public Library and that Mark became associated with the Library by the public. Since at least as early as 1977, the Library shortened its name and mark to SACRAMENTO PUBLIC LIBRARY

("Library's Mark"), which it has continuously used in commerce since. *See* Exh. A.

10. The Library provides library services to the residents of the Sacramento area and to the general public. It is recognized as a leading public organization serving the entire community and it was just awarded the Jerry Kline Community Impact Prize in recognition of its extraordinary engagement with the Sacramento community. And, this month, the American Library Association awarded the Library's Director, Rivkah Sass, the Charlie Robinson Award, recognizing that "under Sass's leadership the Library has transformed into an award-winning institution that enjoys considerable community trust and support."

11. The Library is vital to the Sacramento community and, under the direction of Ms. Sass, the Library has developed substantial goodwill in its Mark in the provision of library services and related services, including fundraising for the Library's activities and programs.

12. The Foundation, a nonprofit corporation, was not formed until June 1984. It was formed for the sole purpose of funding the Library. Thus, at that time, the Library gave the Foundation permission to make limited use of the Library's Mark for the purpose of fundraising for the Library, including calling itself the SACRAMENTO PUBLIC LIBRARY FOUNDATION.

13. But in or around 2013, the Foundation began to fund activities and programs outside of the Library without the Library's knowledge or permission. The Library objected to this change and the parties began to have other disagreements. While the Library has tried to work out a relationship with the Foundation, they have been unable to resolve their differences.

14. The Library advised the Foundation that it no longer has permission to use the Library's Mark. But the Foundation continues to use the Library's Mark without the Library's permission. The Foundation's on-going use of the Library's Mark is without the Library's or written consent as required by California law.

15. The Foundation's continued use of the Library's Mark is likely to confuse, cause mistake among, or deceive the relevant public into believing that the Foundation is a fundraising partner of the Library, or in some manner related to the Library.

16. Further, notwithstanding the Library's repeated objections to the Foundation's use of the Library's Mark, on June 9, 2019, the Foundation filed U.S. Trademark Application Serial No. 88/464,710 for the mark SACRAMENTO PUBLIC LIBRARY FOUNDATION for "Charitable fundraising to support and promote the activities and programs of the Sacramento public library and other community literacy programs."

17. The Foundation's name is confusingly similar to the Library's Mark. The Foundation's name contains the entirety of the Library's Mark followed only by the generic word "FOUNDATION." Furthermore, the services listed in the Foundation's application are similar to, or overlap with, or are otherwise the type to be seen as emanating from the same source under a single mark as those services offered under the Library's Mark.

THE FOUNDATION TERMINATES ITS AGREEMENT AND CHANGES ITS PURPOSE WITHOUT ADVISING DONORS

18. The Foundation's original Articles of Incorporation stated that the Foundation was established for the sole and "specific purpose" "to raise private funds to promote and support the activities and programs of the Sacramento Public Library." *See* Exh. B.

19. In or about 2004, a Memorandum of Understanding ("MOU") was executed between the Foundation and the Library that expressly stated the purpose of the Foundation – to support and fund the Library – and set forth the terms of the relationship between the Library and the Foundation.

20. But, in or around 2013, the Library is informed and believes that the Foundation began funding programs and organizations other than the Library without the knowledge or consent of the Library and in violation of its Articles of Incorporation. The Library expressed concerns about the Foundation's use of the Library's Mark and

objected to the Foundation providing funds to entities other than the Library.

21. In response to these concerns, on April 30, 2015, the Foundation, without any notice or discussion with the Library, sent a letter to the Library unilaterally terminating the MOU, and effectively ending any formal relationship between the Foundation and the Library. *See* Exh. C.

22. The Library is informed and believes and on that basis alleges that the Foundation did not advise donors that it had terminated its MOU with the Library and was therefore no longer associated with the Library. In fact, the Foundation's Annual Report for 2015, published in January 2016, which is intended to inform donors of the status of the Foundation, makes no mention of the fact that the Foundation had terminated its MOU with the Library, thus deceiving donors into believing it was business as usual and the Foundation was associated with the Library when it was not. *See* Exh. D

23. Notwithstanding the Library's concerns, as well as its efforts to reach agreement on a new MOU, on April 17, 2017, without notice or consultation with the Library, the Foundation filed "restated" Articles of Incorporation with the Secretary of State, purporting to expand upon the Foundation's specific purpose. The Foundation's Restated Articles of Incorporation now state that the Foundation's specific purpose is "to raise funds to support and promote the activities and programs of the Sacramento Public Library *and community literacy programs*." [Emphasis added.] *See* Exh. E.

24. The Library is informed and believes that the Foundation took this step without seeking the approval of the Attorney General as established in Cal. Corporation Code § 5820. Thus, the Foundation's change in its specific purpose has never been authorized or approved by either the Attorney General or the Library. Based on this change, the Foundation now effectively competes for private funds with the Library, while still using the Library's Mark.

25. The Library repeatedly objected to the fact that the Foundation was no longer raising private funds solely to benefit the programs and activities of the Library, while still using the Library's Mark.

26. The Library is informed and believes and, on that basis, alleges that the Foundation never informed its donors of the fact that it had restated its Articles of Incorporation to change its purpose. Thus, the Foundation's Annual Report for 2017, published in January of 2018, which is intended to inform donors of the status of the Foundation, makes no mention of the fact that in 2017 the Foundation had filed Restated Articles of Incorporation that changed its specific purpose, and the Annual Report was purposefully designed to mislead donors into thinking that the Foundation still supported only the Library by stating that the Foundation's mission was "[T]o enhance the Library's ability to serve the community by raising public funds." By taking these actions, the Foundation was deliberately misleading donors. *See* Exh. F.

27. The Foundation by, and with the approval of the Individual Defendants, continues its intentional deception and misrepresentation of its purpose even today. The Foundation's audited financial statements for both fiscal year 2016-17 and fiscal year 2017-18, which are presently published on the Foundation's website, fraudulently state that:

> The Sacramento Public Library Foundation ("the Foundation") is a nonprofit public benefit corporation incorporated on June 11, 1984. The Foundation raises funds for the Sacramento Public Library ("the Library") a Joint Powers Authority of the City and County of Sacramento.

28. The Foundation's audited financial statements for 2017 and 2018 are fraudulent and deceptive in that they fail to disclose that: 1) the Foundation filed Restated Articles of Incorporation in June 2017 that changed its purpose; 2) the Foundation no longer raised funds solely for the benefit of the Library; and 3) the funds donors sent to the Foundation might not go to the Library unless the donor specifically requested that they do so.

THE FOUNDATION PUTS ITS OWN PROGRAMS AND ACTIVITIES BEFORE THE LIBRARY'S

29. As the Foundation changed its specific purpose to support programs other than the Library's programs and activities, its support for the Library became secondary

to its support for its own programs and activities, even though the Foundation continued to use the Library's Mark for fundraising purposes. Indeed, the Library is informed and believes that the Foundation's staff as directed by the Individual Defendants spent the vast majority of their time working on the Foundation's own programs and activities while continuing to use the Library's Mark to raise funds. Throughout this entire time period, and before, the Library made clear that the Library owned the Mark "Sacramento Public Library" and that the Foundation could only use the Library's Mark with the permission of the Library.

30. In or about 2014, the Foundation became a sponsor of the Walk4Literacy. The Foundation contributed significant assets and energy to the Walk4Literacy, even though it was not a program or activity of the Library, nor did any funds raised by the Walk4Literacy go to the Library. The Foundation even had the Walk4Literacy use the Foundation's Tax ID Number for purposes of allowing participants to obtain tax deductions for their donations, even though none of the funds raised would go to the Library. In fact, the Foundation became one of the entities involved in awarding Walk4Literacy grants to other literacy programs.

31. Thus, even though the Foundation's assets were dedicated to supporting the Library and its programs and activities, the Foundation was now supporting programs and activities other than the Library's, and awarding private funds to other programs as well, while still using the Library's Mark. This was in direct violation of the Foundation's Articles of Incorporation that required that the Foundation raise funds *solely* for the benefit of the Library. This was also in violation of the charitable trust doctrine that required that the Foundation's assets be dedicated solely to support the Library.

32. In addition to supporting programs and activities of entities other than the Library, in 2014, the Foundation established "the Children's Literacy Endowment." The Children's Literacy Endowment was formed despite the Library's objections. This is because the Foundation already held other endowments for the benefit of the Library, including the Books and Materials Endowment and The Sacramento Room Endowment.

The Library did not believe the Foundation should start another endowment when fundraising for the two original endowments that benefitted the Library was already lagging.

33. The establishment of the Children's Literacy Endowment has caused significant harm to the Library. Despite the fact that the Foundation holds a number of other endowments for the benefit of the Library, the Foundation has effectively ceased raising funds for those endowments and raises funds solely for the Children's Literacy Endowment instead. Most recently, the end of the year fundraising letter sent out by the President of the Foundation's Board failed to mention either of the Library's other endowments but sought donations solely for the benefit of the Children's Literacy Endowment instead. *See* Exh. G.

34. As a result, the Library's other endowments have become stagnant as reflected below.

Sacramento Public Library Foundation Endowments									
Net Assets Trend									
FY 14 - FY 18									
	FY14	**Change**	**FY15 ***	**Change**	**FY16**	**Change**	**FY17**	**Change**	**FY18**
Endowments Benefiting SPL									
Books and Materials	1,221,941	(49,009)	1,172,932	(50,303)	1,122,629	96,606	1,219,235	7,726	1,226,961
Sacramento Room	1,121,022	(41,238)	1,079,784	(50,855)	1,028,929	79,130	1,108,059	32,426	1,140,485
Other Foundation Endowments									
Foundation Operations	5,000	1,000	6,000	-	6,000	57,639	63,639	48,940	112,579
Children Literacy	35	111,720	111,755	41,488	153,243	133,109	286,352	176,753	463,105
Persian	13,000	-	13,000	-	13,000	(13,000)	-	25,184	25,184
Finegold Scholarship	31,277	3	31,280	(29)	31,251	2,378	33,629	1,971	35,600
Endowments Total	**2,392,275**	**22,476**	**2,414,751**	**(59,699)**	**2,355,052**	**355,862**	**2,710,914**	**293,000**	**3,003,914**

35. As the Foundation's policy was to only distribute the interest generated on the endowment funds to the Library annually, it is critical that the endowments' principal amounts be increased in order to increase the amount of distributions to the Library. Yet, instead of fundraising for endowments the Foundation holds for the Library, the

Foundation only raised funds for the Children's Literacy Endowment or for its own Operations Endowment.

36. The Library is informed and believes that the Foundation has raised at least $728,788.00 for the Children's Literacy Endowment. Yet, none of this money has gone to benefit the Library or its programs and activities. The Foundation, without the Library's authorization, represented to donors that the Endowment would be used to fund children's literacy programs at the Library, including funding the Library's Summer Reading Program "for all time," yet the Library's Summer Reading Program is already fully funded. In addition, the Foundation has pocketed hundreds of thousands of dollars in unrestricted donations for its own operations and hundreds of thousands more to fund its "Operations Endowment," which provides no benefit to the Library at all. Thus, rather than benefitting the Library's programs and activities as the Foundation purports to do, the Foundation is depriving the Library of critical funds, and using donations given for the Library's benefit to support its own operations and non-library programs instead.

37. Several recent decisions made by the Foundation's Board with regard to bequests make it clear that the Foundation operates in its own best interest rather than the best interest of the Library or its donors. In an effort to bolster the lack of donations to the Children's Literacy Endowment, the Foundation's Board has begun to direct all unrestricted donations into either that Endowment or to the Foundation's Operations Endowment, neither of which provide any direct benefit to the Library. Thus, unless a donor expressly directs that their donation be used for a specific branch of the Library or for the Sacramento Room or Books and Materials endowment, the Library does not receive *any benefit* from the donation at all. Using donations for the benefit of the Foundation rather than the Library is a deceitful business practice regularly engaged in by the Foundation.

38. On January 19, 2018, Defendant April Javist, the Foundation's Executive Director, recommended to the Board that it split a $90,415 unrestricted bequest 50/50 between the Children's Literacy Endowment and the Foundation's Operations

Endowment, even though Ms. Javist advised that "the Library would receive less direct benefit from the bequest allocation."

39. Likewise on June 6, 2019, Defendant Javist again recommended that the Foundation split an $85,000 bequest, with $25,000 going to the Children's Literacy Endowment and $60,000 going to the Foundation's Operations Endowment. The Foundation's Board dutifully followed Ms. Javist's recommendation to allocate the funds in a manner that provides no benefit, direct or indirect, to the Library but only benefits the Foundation, and the funds were placed in those endowments, where they still sit today.

40. The Foundation's business practice of using donations to benefit the Foundation rather than the Library is yet another reason that the Library can no longer be associated with the Foundation, in any respect. The Foundation's business practices not only harm the Library, but deceive the donors who give to the Foundation in the mistaken belief that they are providing financial support for the Library, when they are not.

THE FOUNDATION FAILS TO COMPLY WITH THE LIBRARY'S POLICIES AND CALIFORNIA LAW AND REFUSES TO DO SO

41. Given the Foundation's record of misusing the Library's Mark, and the Library's concerns about donor confusion, on August 22, 2019, the Library's Board of Directors unanimously passed a resolution establishing standards to qualify as a recognized fundraising partner of the Library. The policy requires an entity to have an agreement with the Library, to be dedicated to raising funds solely for the Library, and to agree to license the Library's Mark. If an entity does not comply with the adopted policy, it is no longer recognized or acknowledged as a fundraising partner by the Library.

42. Following the August 22nd meeting, Defendant Deeringer, the Foundation's President, confronted the Library Director and told her that the Foundation would never sign any written agreement with the Library to be a fundraising partner and would not license the Library's Mark. Yet, Deeringer, who is an attorney, knew or should have known that the Foundation could not use the Library's name to solicit charitable donations or for any other eleemosynary purposes without the Library's written consent.

Moreover, in failing to disclose to donors that the Foundation was not a fundraising partner for the Library and by continuing to use the Library's Mark for fundraising purposes without written consent, Individual Defendants Deeringer and Javist were operating the Foundation in an unlawful manner and continue to operate the Foundation in an unlawful manner even today.

43. Notwithstanding the fact that the Foundation had actual knowledge that the Library no longer recognized it as a fundraising partner, and that it would no longer be acknowledged or promoted on the Library's website, the Foundation continued to promote itself as a fundraising partner of the Library, continued to use the Library's Mark without written authorization, and continued to act in violation of the Library's branding policies and continues to do so even today.

44. The Foundation never disclosed to its donors or to the public that it was no longer a recognized fundraising partner of the Library, nor that it was in violation of the Library's policy governing fundraising for the Library. And the Foundation never disclosed that it had no written authorization from the Library to use the Library's Mark, nor any written agreement with the Library to act as a fundraising partner at all. In its year-end report for 2019, the Foundation failed to disclose any material facts about its lack of relationship with the Library to its donors. *See* Exh. H. The Foundation's failure to disclose these material facts constitutes intentional fraud and deceit, as well as unfair business practices by the Foundation.

THE FOUNDATION SEEKS TO SEIZE SOLE CONTROL OVER THE LIBRARY'S ENDOWMENTS

45. Recent steps by the Foundation now make clear the Foundation's true aim and purpose. The Foundation is seeking to sever all relationships with the Library, and to exercise complete dominion and control over the millions of dollars in endowments it holds for the Library's benefit, yet still use the Library's Mark and goodwill to confuse donors and raise charitable funds.

46. On March 1, 2020, after years of representing to the contrary, the Foundation changed the language on its website and for the first time admitted that it was not "endorsed by, sponsored by, or affiliated" with the Library.

47. The Library is further informed and believes that on March 12, 2020, while the Library's Director was out of the country, and while the members of the Library's Board, who are all elected officials, were grappling with the COVID-19 public health crisis, the Foundation's Board voted to eliminate the Chair of the Sacramento Public Library Authority as an ex-officio member of the Foundation's Board, to eliminate the Library's representative from the Foundation Finance Committee, and to remove the Library's Director as the Library's Liaison to the Foundation.

48. As a result of these changes the Library will no longer have any input into the Foundation. It will no longer be able to monitor the Foundation's financial performance, no longer receive notice of the Foundation's Board meetings nor minutes reflecting Board actions, no longer be able to give input into the Foundation's distributions, no longer be able to advise the Foundation about the Library's programs and activities, and no longer be able to protect the millions of dollars in endowment funds the Foundation collected using the Library's Mark, which the Foundation now holds for the benefit of the Library. Although the Foundation is continuing to use the Library's Mark to raise funds and seek charitable donations primarily for its own purposes, the Library has no input into how those funds are raised or spent.

THE FOUNDATION OPERATES IN DIRECT VIOLATION OF THE LAW

49. The Foundation, which is operated and controlled by the Individual Defendants, Javist and Deeringer, conducts its business in direct violation of California law governing the operations of non-profit organizations.

50. Government Code § 12599.6(a) provides that a charitable organization "shall not misrepresent the purpose of the Charitable organization or the nature of purpose or beneficiary of a solicitation." Yet, contrary to law, the Foundation, through

Individual Defendants Javist and Deeringer, has consistently represented to donors that the sole purpose of the Foundation is to support the Library and that the Library is the sole beneficiary of donations to the Foundation. Such representations are in fact false as the Foundation's charitable purpose is no longer solely to raise funds for the Library as represented.

51. Government Code § 12599.6(f) prohibits certain acts and practices in soliciting charitable donations, regardless of injury, including:

> Using any unfair or deceptive acts or practices or engaging in fraudulent conduct that creates a likelihood of confusion or mistake.
>
> Misrepresenting or misleading anyone in any manner that any other person sponsors, endorses or approves of a charitable solicitation or charitable sales promotion when that person has not consented in writing to the use of the person's name for these purposes.
>
> Misrepresenting or misleading anyone in any manner to believe that goods or services have endorsement, sponsorship approval … that they do not have or that a person has endorsement, sponsorship, approval, status or affiliation that the person does not have.

52. Cal. Penal Code § 532(d), provides:

> (a) Any person who solicits or attempts to solicit or receives money or property of any kind for a charitable, religious or eleemosynary purpose and who, directly or indirectly, makes, utters, or delivers, either orally or in writing, an unqualified statement of fact concerning the purpose or organization for which the money or property is solicited or received, … or the manner in which the money or property or any part thereof is to be used, which statement is in fact false and was made, uttered, or delivered by that person either willfully and with knowledge of its falsity or negligently without due consideration of those facts which by the use of ordinary care he or she should have known, is guilty of a misdemeanor, ….

53. The Individual Defendants have operated and continue to operate the Foundation in direct violation of these laws by making factual misrepresentations of their affiliation with the Library and the charitable purpose of the Foundation, both in public and in private.

54. Since August 22, 2019, and before, the Foundation, as directed and controlled by Individual Defendants Javist and Deeringer, has operated in direct violation of each of these provisions by misrepresenting to the public that the Foundation operates for the benefit of the Library, that the Library endorses and approves of the Foundation, that the Foundation is a fundraising partner of the Library, that the Foundation had the Library's permission to use its Mark and the Foundation is affiliated with the Library.

55. It was not until the Library threatened litigation that the Foundation for the first time in or around March 1, 2020, admitted on its website that it was not "endorsed by, sponsored by, or affiliated with the Sacramento Public Library or its governing authority." However, despite this admission of its past fraudulent activities, the Foundation, as directed and controlled by the Individual Defendants Javist and Deeringer, continues to call itself the "Sacramento Public Library Foundation," continues to use the Library's Mark for solicitation of charitable funds without written consent from the Library and over the Library's objections to such use, and continues to cause confusion as to the purpose of the Foundation.

56. Given these gross violations of law by the Foundation and the Individual Defendants, on October 10, 2019, the Library sent a letter to the Foundation demanding that it cease-and-desist use of the Library's Mark. After several months of negotiations between the parties to resolve these issues, the Foundation rejected the Library's final proposal for resolution.

57. On February 25, 2020, the Library's counsel resent its cease-and-desist demand, advising that the Foundation had until March 4, 2020, to cease and desist using the Library's Mark and take down its website. On or about March 7, 2020, the Library again sent a cease and desist letter to the Foundation. As of this date, the Foundation has failed to comply with the Library's demand to stop using the Library's Mark, and has taken affirmative steps to not only steal the Library's Mark but to seize control of the millions of dollars in endowments it holds for the Library, making this lawsuit absolutely necessary in order to stop the Foundation's abuse of the Library's Mark and on-going

acts of fraud and deceit.

FIRST CLAIM FOR RELIEF

(Federal Unfair Competition and False Designation of Origin under Section 43(a) of the Lanham Act)

(Against the Foundation)

58. The Library realleges and incorporates herein by reference paragraphs 1 through 57 of this Complaint as if fully set forth here.

59. The Foundation's actions as described above and the Foundation's use of the Library's Mark SACRAMENTO PUBLIC LIBRARY in commerce constitute unfair competition and false designation of origin in violation of Section 43 of the Lanham Act, 15 U.S.C. § 1125.

60. The Foundation's use of the Library's Mark will cause irreparable injury to the value and goodwill of the Mark, as well as to the Library's goodwill and reputation.

61. The Foundation's actions, if not enjoined, will continue. The Library have no adequate remedy at law in that the amount of damages is difficult to ascertain. Accordingly, the Library is entitled to, among other things, an order enjoining and restraining the Foundation from using the Library's Mark.

SECOND CLAIM FOR RELIEF

(Trademark Infringement and Unfair Competition in Violation of California Common Law)

(Against the Foundation)

62. The Library realleges and incorporate herein by reference paragraphs 1 through 61 of this Complaint as if fully set forth here.

63. The Foundation's actions described above and The Foundation's use of the Library's Mark SACRAMENTO PUBLIC LIBRARY in commerce constitute trademark infringement and unfair competition in violation of California common law.

64. The Foundation's actions, if not enjoined, will continue. The Library has no adequate remedy at law in that the amount of damages is difficult to ascertain.

Accordingly, the Library is entitled to, among other things, an order enjoining and restraining the Foundation from using the Library's Mark.

THIRD CLAIM FOR RELIEF

(Violation of the Unfair Competition Laws

Business and Professions Code § 17200, et seq.)

(Against all Defendants)

65. The Library realleges and incorporates herein by reference paragraphs 1 through 64 of this Complaint as if fully set forth here.

66. California Government Code § 12599.6(a) provides, in relevant part:

> Charitable organizations … shall not misrepresent the purpose of the charitable organization or the nature or purpose or beneficiary of a solicitation. A misrepresentation may be accomplished by words or conduct or fail to disclose a material fact.

67. California Government Code § 12599.6(f) provides, in relevant part:

> Regardless of injury, the following acts and practices are prohibited in the planning, conduct, or execution of any solicitation or charitable sales promotion:
>
> (1) Operating in violation of, or failing to comply with, any of the requirements of this act …
>
> (2) Using any unfair or deceptive acts or practices or engaging in any fraudulent conduct that creates a likelihood of confusion or misunderstanding.
>
> . . .
>
> (5) Misrepresenting or misleading anyone in any manner to believe that any other person sponsors, endorses, or approves a charitable solicitation or charitable sales promotion when that person has not given consent in writing to the use of the person's name for these purposes.
>
> (6) Misrepresenting or misleading anyone in any manner to believe that goods or services have endorsement, sponsorship, approval, … that they do not have or that a person has endorsement, sponsorship, approval, status, or affiliation that the person does not have.

68. The material misrepresentations, concealment and non-disclosures of Defendants as alleged herein, as part of their marketing, solicitation and advertising for

charitable purposes, constituted unlawful, unfair and fraudulent business acts or practices in violation of the Unfair Competition Laws ("UCL").

69. Specifically, the conduct of Defendants set forth herein violates California Government Code § 12599.6, and Penal Code § 532(d) and as such, constitutes *unlawful* business acts or practices in violation of the UCL.

70. Defendants' actions described above and Defendants' use of the Library's Mark SACRAMENTO PUBLIC LIBRARY in commerce constitute unlawful, unfair or fraudulent business acts or practices in violation of Cal. Bus. & Prof. Code § 17200.

71. Finally, because Defendants fraudulently induced donors to make donations to the Foundation through material misrepresentations and/or concealment of material facts, these practices of Defendants constitute *fraudulent* business acts or practices in violation of the UCL.

72. Similarly, because the conduct of Defendants caused substantial injury to the Library and the public, and is not outweighed by any countervailing benefit to the Library and the public, these practices of Defendants constitute *unfair* business acts or practices in violation of the UCL.

73. Defendants' actions, if not enjoined, will continue. The Library has no adequate remedy at law in that the amount of damages is difficult to ascertain. Accordingly, the Library is entitled to, among other things, an order enjoining and restraining Defendants from using the Library's Mark.

74. The Library, on behalf of itself and the public, seeks injunctive relief ordering Defendants to cease their unfair competition, and to disgorge the funds improperly received and retained, in order to provide those funds to one or more qualified, properly functioning 501(c)(3) entity or entities to be used for the benefit of the Library. The Library also seeks any other equitable or other appropriate relief allowable under Cal. Bus. & Prof. Code § 17200, *et seq*.

///

FOURTH CLAIM FOR RELIEF

(False Advertising under Cal. Bus. & Prof. Code § 17500)

(Against All Defendants)

75. The Library realleges and incorporates herein by reference paragraphs 1 through 74 of this Complaint as if fully set forth here.

76. Defendants' actions described above and Defendants' use of the Library's Mark SACRAMENTO PUBLIC LIBRARY in commerce constitute false advertising in violation of Cal. Bus. & Prof. Code § 17500.

77. Pursuant to Cal. Bus. & Prof. Code § 17500, the Library is entitled to recover monetary damages including, but not limited to, statutory penalties of $2,500 per violation.

78. Defendants' actions, if not enjoined, will continue. The Library has no adequate remedy at law in that the amount of damages is difficult to ascertain. Accordingly, the Library is entitled to, among other things, an order enjoining and restraining Defendants from using the Library's Mark, enjoining and restraining Defendants from any further violation of Cal. Bus. & Prof. Code § 17500.

FIFTH CLAIM FOR RELIEF

(Intentional Misrepresentation)

(Against All Defendants)

79. The Library realleges and incorporates herein by reference paragraphs 1 through 78 of this Complaint as if fully set forth here.

80. As alleged herein, and through at least March 1, 2020, and continuing, Defendants have intentionally misrepresented to donors that the Foundation was affiliated with the Library when it was not, that donations to the Foundation would benefit the Library when they did not, that the sole purpose of the Foundation was to support the Library when it was not, that donations would only go to the Library when that was not so, and the other fraudulent misrepresentations alleged herein.

81. The Defendants made these statements with knowledge of their falsity and the Defendants intended to defraud donors into donating to the Foundation on the belief that the Foundation was affiliated with the Library when it was not.

82. Donors justifiably relied on these false statements in the mistaken belief that the Foundation was established and operated to solely support the Library.

83. As a result of this fraud, the Library and donors have been damaged and Defendants' fraud was a substantial factor in causing such damage, including exemplary damages.

84. The Library, on behalf of itself and the public seeks injunctive relief ordering Defendants to cease these misrepresentations, and to disgorge the funds improperly received and retained, in order to provide those funds to one or more qualified, properly functioning 501(c)(3) entity or entities to be used for the benefit of the Library.

SIXTH CLAIM FOR RELIEF

(Negligent Misrepresentation)

(Against All Defendants)

85. The Library realleges and incorporates herein by reference paragraphs 1 through 84 of this Complaint as if fully set forth here.

86. Defendants made representations to the public of an ongoing affiliation with the Library through their advertising. Their representations were false. Defendants had no reasonable grounds for believing their representations were true when they made them. Defendants made the representations with the intent to cause the public to rely upon them and donate to the Foundation.

87. The public was ignorant of the falsity of the representations and believed them to be true. Donors reasonably relied upon the representations and were thereby induced to donate to the Foundation.

88. The Library, on behalf of itself and the public seeks injunctive relief ordering Defendants to cease these misrepresentations, and to disgorge the funds improperly received and retained, in order to provide those funds to one or more qualified, properly

functioning 501(c)(3) entity or entities to be used for the benefit of the Library.

SEVENTH CLAIM FOR RELIEF

(Accounting)

(Against All Defendants)

89. The Library realleges and incorporates herein by reference paragraphs 1 through 88 of this Complaint as if fully set forth here.

90. Defendants have generated substantial revenues for the Foundation based on the false advertising, unfair competition and misrepresentations as alleged herein. The amount of revenue Defendants generated from these activities and all of the improper expenditures they have made using this money is currently unknown to the Library. This information cannot be ascertained without an accounting of all of the revenue and expenditures of donated funds made to Defendants. As such, the Library seeks an accounting.

EIGHTH CLAIM FOR RELIEF

(Appointment of a Receiver)

(Against the Foundation)

91. The Library realleges and incorporates herein by reference paragraphs 1 through 90 of this Complaint as if fully set forth here.

92. The Foundation uses and continues to use the Library's Mark without the Library's permission or authorization and despite the Library's numerous requests to cease and desist.

93. The Foundation has committed fraud and misrepresentation of its affiliation with the Library and its purpose while raising funds using the Library's Mark.

94. The Foundation has acted to sever its relationship with the Library completely by amending its by-laws to prohibit and prevent any input or oversight from the Library as to the millions of dollars in endowments the Foundation holds, which are supposed to be held for the benefit of the Library.

95. The appointment of a receiver is necessary to operate the Foundation in an orderly and professional manner; gain control and manage the endowments for the benefit of the Library as intended; provide an objective, independent and impartial decision maker for the Foundation; and preserve, protect and act in the best interests of the Foundation, the Library, and the thousands of donors who gave to the Foundation in order to support the Library.

96. Absent the granting of the relief requested in this complaint, the interests of the people of the state of California, the Library's donors, and the Library will be irreparably injured as the Foundation will exercise complete dominion and control over the endowments it holds for the benefit of the Library, such that a receiver is necessary to preserve, protect and maintain the value of the endowments held for the benefit of the Library until this matter is resolved.

PRAYER FOR RELIEF

WHEREFORE, the Library requests the following relief:

1. That the Foundation and its partners, officers, agents, servants, employees and attorneys, its successors and assigns, and all others in active concert or participation with the Foundation, be enjoined and restrained during the pendency of this action, and permanently thereafter, from:

a. using the Library's Mark SACRAMENTO PUBLIC LIBRARY; and

b. performing any acts or using any trademarks, names, words, images, or phrases that are likely to cause confusion, to cause mistake, to deceive, or otherwise mislead the public into believing that the Library and the Foundation are one in the same, or are in some way affiliated, or are likely to lead the public to associate the Library with the Foundation;

2. That Defendants, and all others holding by, through or under Defendants, be required, jointly and severally, to:

a. account for and pay over to the Library all profits derived by Defendants from its acts of trademark infringement and unfair competition in accordance

with 15 U.S.C. § 1117(a) and the laws of California, and the Library asks that this award be trebled in accordance with 15 U.S.C. § 1117(a);

b. pay over to the Library all damages incurred by Library by reason of Defendants acts of unfair competition in accordance with 15 U.S.C. § 1117(a) and the laws of California, and the Library asks that this damages award be trebled in accordance with 15 U.S.C. § 1117(a);

c. pay to the Library the costs of this action, together with reasonable attorneys' fees and disbursements, in accordance with 15 U.S.C. § 1117(a) and California law;

d. pay to the Library punitive damages in accordance with the common law of the State of California;

e. deliver up for destruction all labels, signs, prints, packages, receptacles, or any other promotional or advertising material, in the possession of Defendants, bearing the Library's Mark SACRAMENTO PUBLIC LIBRARY, in accordance with 15 U.S.C. § 1118;

f. disclaim any association with the Library;

g. contact the California Secretary of State to change the Foundation's corporate name to something unrelated to and not confusing similar to the Library's Mark SACRAMENTO PUBLIC LIBRARY; and

h. file with the Court and serve on the Library an affidavit setting forth in detail the manner and form in which Defendants have complied with the terms of the injunction, in accordance with 15 U.S.C. § 1116.

3. That the Court enter an order that Defendants, and all others holding by, through or under Defendants, are not entitled to registration of the mark SACRAMENTO PUBLIC LIBRARY FOUNDATION and that U.S. Trademark Application Serial No. 88/464,710 be denied registration or withdrawn.

4. That the Foundation provide an accounting.

5. That the Court enter an order appointing a receiver for the Foundation and

of its assets, books and records, and any and all other property held in the name of the Foundation or for the benefit of the Library.

6. That the Library have such other and further relief as this Court shall deem just and proper on the merits.

DEMAND FOR JURY TRIAL

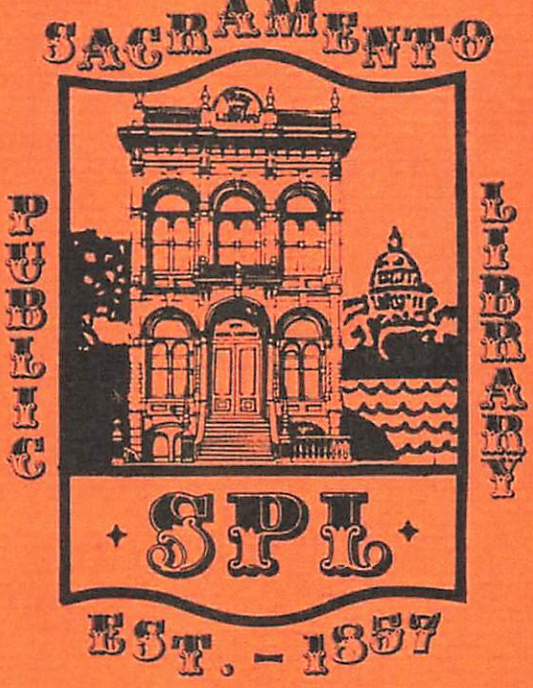
Pursuant to Rule 38 of the Federal Rules of Civil Procedure, the Library hereby requests a trial by jury in this matter.

DATED: March 31, 2020

HANSON BRIDGETT LLP

By: */s/ Andrew W. Stroud*
ANDREW W. STROUD
Attorney for Plaintiffs SACRAMENTO PUBLIC LIBRARY AUTHORITY and SACRAMENTO PUBLIC LIBRARY

EXHIBIT A



ONE HUNDRED TWENTIETH

ANNIVERSARY CELEBRATION

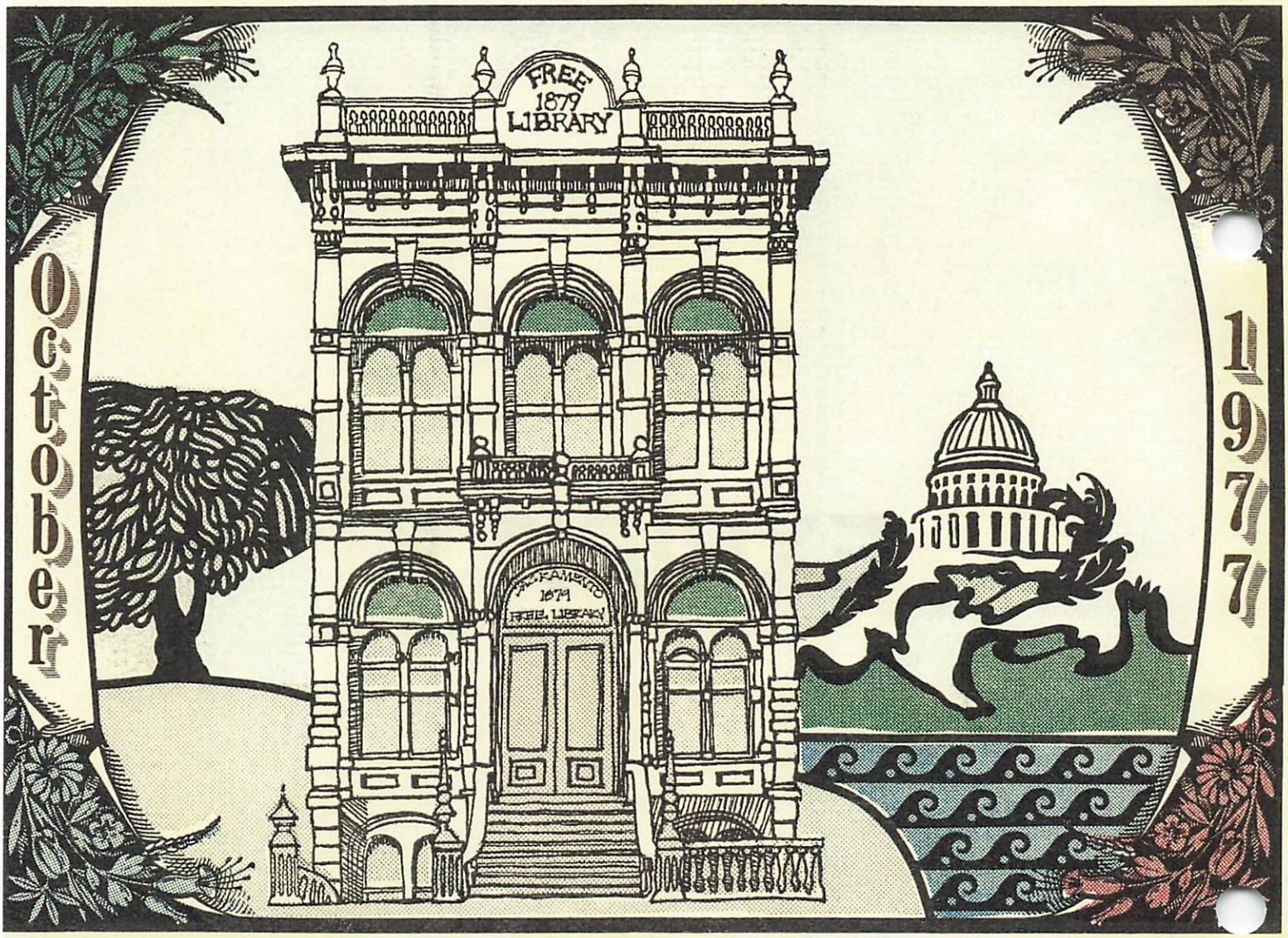
Sunday, October Thirtieth, Nineteen Hundred Seventy-Seven
Sacramento Public Library

SACRAMENTO PUBLIC LIBRARY

COMMEMORATIVE ISSUE

LEDGER

MILLIONTH BOOK



120 YRS. PUBLIC SERVICE

EXHIBIT B

(/)PB( )RE( )MU( )OC( )SL( )AS

1248970

FILED
In the office of the Secretary of State
of the State of California
JUN 11 1984
MARCH FONG EU, Secretary of State
By Gloria Carroll
Deputy

ARTICLES OF INCORPORATION

of

SACRAMENTO PUBLIC LIBRARY FOUNDATION

ARTICLE I

The name of this corporation is:

Sacramento Public Library Foundation.

ARTICLE II

This corporation is a non-profit public benefit corporation and is not organized for the private gain of any person. It is organized under the Non-profit Public Benefit Corporation Law for Charitable and Public Purposes. The specific purpose for which the Corporation is organized is to raise private funds to promote and support the activities and programs of the Sacramento Public Library.

ARTICLE III

The name and address in the State of California of the corporation's initial agent for service of process is:

Mr. Robert Richard
c/o Sacramento Public Library Administration
7000 Franklin Boulevard, Suite 540
Sacramento, California 95823

ARTICLE IV

A. This corporation is organized and operated exclusively for charitable and public purposes within the meaning of Section 501 (c)(3) of the Internal Revenue Code of 1954 (or the corresponding provisions of any future United States Internal Revenue law).

B. Notwithstanding any other provision of these Articles, the Corporation shall not carry on any other activities not permitted to be carrried on (1) by a corporation exempt from federal income tax under Section 501 (c)(3) of the Internal Revenue Code or (2) by a corporation, contributions to which are deductable under Section 170 (c)(2) of the Internal Revenue Code (or the corresponding provisions of any future United States Internal Revenue law).

C. No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of any candidate for public office.

ARTICLE V

The maximum number of directors of this corporation may be changed from time to time pursuant to the by-laws. The directors shall not be personally liable for the debts, liabilities, or obligations of this corporation.

ARTICLE VI

The property assets and net earnings of this corporation are irrevocably dedicated to charitable and public purposes and no part of the net income or assets of the organization shall ever inure to the benefit of, or be distributeable to any director or officer thereof or to the benefit of any private person.

On the dissolution or winding up of the corporation, its assets remaining after payment of, or provision for payment of,all debts and liabilities of this corporation, shall be distributed to a non-profit fund, foundation or corporation which is organized and operated exclusively for charitable purposes and which has established its tax-exempt status under Section 501 (c)(3) of the Internal Revenue Code.

April 19, 1984

Signatures of Incorporators:

Rob Richard

L. Miles Snyder

JUN 1 1 1984

STATE OF CALIFORNIA

FRANCHISE TAX BOARD
SACRAMENTO, CALIFORNIA 95867

June 8, 1984

In reply refer to
342:APP:PTS:sm:g

Sacramento Public Library Foundation
7000 Franklin Blvd., Ste. 540
Sacramento, CA 95823

Purpose : Charitable
Form of Organization : Corporation
Accounting Period Ending: December 31
Organization Number :

On the basis of the information submitted and provided your present operations continue unchanged or conform to those proposed in your application, you are exempt from state franchise or income tax under Section 23701d, Revenue and Taxation Code. Any change in operation, character or purpose of the organization must be reported immediately to this office so that we may determine the effect on your exempt status. Any change of name or address also must be reported.

You are required to file Form 199 (Exempt Organization Annual Information Return) or Form 199B (Exempt Organization Annual Information Statement) on or before the 15th day of the 5th month (4 1/2 months) after the close of your accounting period. See annual instructions with forms for requirements.

You are not required to file state franchise or income tax returns unless you have income subject to the unrelated business income tax under Section 23731 of the Code. In this event, you are required to file Form 109 (Exempt Organization Business Income Tax Return) by the 15th day of the 5th month (4 1/2 months) after the close of your annual accounting period.

If the organization is incorporating, this approval will expire unless incorporation is completed with the Secretary of State within 60 days.

Exemption from federal income or other taxes and other state taxes requires separate applications.

D. Hareid, Supervisor
Exempt Audit Unit
Telephone (916) 355-0370

cc: Miles Snyder
Secretary of State
Registrar of Charitable Trusts

FTB 4206-ATS (REV. 10-81/8-83)

COPY

EXHIBIT C

SACRAMENTO PUBLIC LIBRARY FOUNDATION

Jeffrey Slowey, Chair
The Sacramento Public Library Authority
828 I Street
Sacramento, CA 95814

April 30, 2015

Re- First Amended Memorandum of Understanding (including all attachments) between Sacramento Public Library Authority and Sacramento Public Library Foundation - July 1, 2004
NOTICE OF TERMINATION

Board of Directors 2014-2015

Officers

Mary Ellen Shay
President

Nancy Stockman
Secretary

Ahamadou Bocar
Treasurer

Directors

Katy Boase
Clark Carter
Vince Jacobs
Nancy Lawrence
Kristan Otto
Jeanne Peterson
Beth Southorn
Wendy Wood

Dear Mr. Slowey and Ms. Sass:

The above, hereafter known as the MOU, provides in Paragraph 32 as follows: "Either party may terminate this MOU without cause upon sixty (60) days written notice to the other party." In reviewing the current MOU, (including all attachments) we see many tenets of the document that are no longer relevant to our respective organizations.

The Sacramento Public Library Foundation (SPLF) Board of Directors met on April 28, 2015, and it was resolved, by unanimous vote of the Board, to terminate the MOU (including all attachments), effective 60 days following service of this letter.

This Notice of Termination is deemed served upon personal delivery or facsimile transmission, to Director Rivkah Sass, Sacramento Public Library, 828 I Street, Sacramento, CA 95814. Facsimile: 916- 264-2755 (MOU, Section36).

This Notice is being transmitted and delivered on the above date, therefore the effective date of the Termination is June 30, 2015, 60 days hence.

Going forward, SPLF intends to follow the provisions of the MOU section 33: "In the case of termination of the agreement, both parties shall mutually agree upon the dissolution terms affecting funding for ongoing programs and other outstanding funding commitments. If mutual agreement cannot be met, the issues shall be referred to the Resolution Team, as referenced in Paragraph 30, for final decision".

We hope that the Library and the Foundation will work together to create a new document that is more in line with our respective organizations activities and policies. The SPLF Board of Directors is looking forward to successful collaborative efforts focused on our common goals.

Sincerely,

Mary Ellen Shay

Mary Ellen Shay
President, Sacramento Public Library Foundation

EXHIBIT D

SACRAMENTO PUBLIC LIBRARY FOUNDATION News
www.saclibraryfoundation.org
December 2015 - January 2016

Optimism.

Still round the corner there may wait, a new road, or a secret gate.

- J. R. R. Tolkien

op•ti•mis•m
1: a feeling or belief that good things will happen in the future: a feeling or belief that what you hope for will happen

The Sacramento Public Library Foundation is an optimistic, forward-looking organization that both sees and creates a brighter future for our community. By enhancing our Library's programs and materials and partnering with others to deliver literacy opportunities for all children, we show our belief and commitment to the possibility of helping ALL CHILDREN achieve literacy.

Our vision to increase revenues, including endowments, focused on children's literacy is paving the road for new relationships with individuals, groups and agencies that are equally optimistic about our collective ability to impact positively.

This year the Foundation established a new endowment specifically focused on Children's Literacy with a seed donation of $111,000. This endowment fund is dedicated to funding children's literacy initiatives at the Sacramento Public Library and is key in creating sustainable support for children's initiatives.

Our focused effort to expand the Library's Summer Reading Program until 1 in every 4 children participates is an optimistic goal on which we continue to focus and the results of which encourage us to keep going. This year, the Library reached more children and families than ever, 30,500 children, and is already planning more increases for next summer to parallel the Foundation's increased support.

This year the Foundation continued to partner with literacy organizations and has initiated partnerships with nonprofit groups serving the Hispanic community. Our developing partnerships in the literacy and Hispanic community are bringing the Foundation into new community circles and our work is becoming better known and understood.

Our optimistic approach is paving a more sustainable and brighter future for the Library, the Foundation and the broader community. Our increased endowments, summer reading support and growing partnerships are energizing our literacy and library community. The Foundation's optimistic commitment to help ALL CHILDREN in the community become better readers is gaining momentum and support from you and people like you. Thank you so much. Your support absolutely matters!

Become our friend on Facebook -- Sacramento Public Library Foundation

Mission: To enhance the Library's ability to serve the community by raising private funds.

Vision: The Foundation will increase endowments and total revenues to fund programs that promote children's literacy.

Our Goals: Increase total annual revenues with an emphasis on funding children's literacy programs without sacrificing traditional program funding. Develop approaches to increase funding for Foundation operations independent of funds raised for the library. Enhance the capacities of leadership particularly in the area of fundraising.

Foundation Board of Directors
President, Mary Ellen Shay
Vice President, H. Vince Jacobs
Treasurer, Ahamadou Bocar
Secretary, Nancy Stockman
Julius Austin
Katy Boase
Ashley Boulton
Clark Carter
Nancy Lawrence
Kristan Ottto
Jeanne Peterson
Beth Southorn
Wendy Wood

Library Leadership
Library Director, Rivkah Sass
Deputy Director, Denise Davis

Foundation Staff
Executive Director, April L. Butcher
Fundraising Manager, Yolanda Torrecillas
Database Coordinator, Dejan Zbur
Newsletter Design: Sheila Grant

Walk4Literacy – A Great Day!

Malala Yousafzai 2014 Nobel Peace Prize recipient once stated, "... let us wage a glorious struggle against illiteracy, poverty and terrorism, let us pick up our books and pens, they are our most powerful weapons." Locally, our 2nd Annual *Walk4Literacy* was a step forward in the effort to combat low literacy levels. The event, held on Saturday, October 17, 2015, drew more than 1,000 people of all ages in celebration and support of advancing local children's grade-level reading.

walk4literacy.org

Walkers included teachers, students, parents, community activists, authors, teens, business people and families. The crowd gathered at McClatchy Park early in the morning to join the fun 4-mile walk ending with the *Walk4Literacy* Festival at Cesar Chavez Park. The festival featured 21 exhibitors, food vendors, and live music performed by unSupervised the Band. More than 80 people volunteered at the *Walk4Literacy,* helping out with set up, break down and everything in-between.

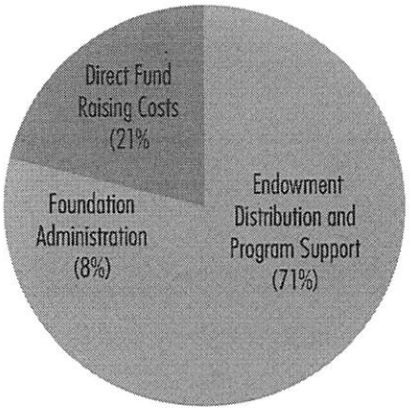
Walk4Literacy organizer and Foundation staffer, Yolanda Torrecillas stated, "the *Walk4Literacy* is a reflection of Sacramento. As I looked around, I saw that the people there -- walkers, volunteers, or literacy agency representatives – were diverse in every respect. That's great because it is going to take everyone to move to a more literate community, and to create a sense of unity around an issue that is important to all of us – boosting children's literacy."

The *Walk4Literacy* is a collaboration among four organizations: 916Ink, the Attendance Institute, Teach For America and the Sacramento Public Library Foundation, all of which believe that the literacy crisis in Sacramento will be solved by working together toward grade-level reading. Our newest partner in the *Walk4Literacy,* Symia Stigler Executive Director, Attendance Institute said, "We support the *Walk4Literacy* in Sacramento not only because literacy levels are not where they need to be but because of the people involved in the effort. Everyone engaged in the *Walk4Literacy* – sponsors, walkers, volunteers, nonprofits – is part of a group of people who are taking action. It's exciting to be part of such a dynamic, positive, active collaboration."

Walk4Literacy's goal is to bring increased awareness and financial support to nonprofits addressing grade-level reading within the greater Sacramento region. With a second year of strong support from the community and sponsors, the coalition will be able to grant $15,000 to local nonprofit organizations, $5,000 more than last year. 100% of every group, family and individual registration will once again be directed at solving our community's literacy crisis, where 2 out of 3 children are unable to read at grade level. Let your favorite literacy organization know about this funding opportunity. The proposal process will open January 15, 2016 and close on March 15, 2016, with grantees announced on May 3, 2016.

Don't forget to mark your calendars for next year's *Walk4Literacy* which will be held on October 15, 2016! For more information about getting involved in the effort go to walk4literacy.org. Each step moves us forward to a more literate community and YOU are key to our forward momentum.

Financial Overview



Each year the Sacramento Public Library Foundation hires an independent auditor to ensure that donor support is used appropriately and that our accounting and financial policies and procedures meet and exceed financial requirements imposed by the IRS and the California Attorney General. For the fourth year in a row, Mann Urrutia Nelson CPAs and Associates, LLP has issued an unqualified opinion of the Foundation's financial statements, which means our records are thorough and accurate and your support is being handled professionally.

Where your support went by the numbers

Endowment Distributions	
Books and Materials Endowment	$ 58,079.00
Sacramento Room Endowment	$ 50,729.40
Library Projects & Programs	
Summer Reading	$ 125,000.00
Early Literacy	$ 29,418.00
StoryCorps	$ 25,000.00
Various designations	$ 14,623.00
Foundation Programs*	
Author Engagement	$ 152,753.64
Literacy Partner Engagement	$ 97,783.78
Foundation Operations*	
Total Foundation Administration	$ 65,834.72
Total Fundraising Costs	$ 160,112.43

* Does not include in-kind expenses

Endowment Performance

	As of 7/1/2014	As of 7/1/2015	Annual Return *
Books and Materials	$ 1,220,868	$ 1,178,490	-3%
Sacramento Room	$ 1,122,101	$ 1,089,347	-3%
Children's Literacy	$ 0	$ 111,213	100%

* Includes distributions, contributions, and fees

Summer Reading Partnerships

Over the past seven years, the Foundation has made the Summer Reading Program at the Sacramento Public Library a signature project. Each year we have increased fundraising goals that have been parallel to increased enrollment. Last year the Library reached more than 30,000 kids with 15,000 finishing the program. Those 30,000 kids read a total of nearly 195,000 books! These results are at the top of the class when compared to other libraries in California and we are proud.

Children lose their hard-earned reading skills when they stop reading over the summer. There is no other place that reaches such a large number of children and puts books in their hands as the Library.

This year, the Foundation is hoping to raise enough funds to grant the Library 10% more support than last year and the Library has committed to increasing program participation by 10%. In addition to our financial support, board members and staff are working with other organizations to expand Summer Reading even more. The articles below highlight the work of two of our board members.

LifeSTEPS: Literacy is key to ending cycles of poverty and because of that, LifeSTEPS has continued to grow its Summer Reading partnerships. LifeSTEPS' executive director, Beth Southorn, is on the Board of Directors of the Foundation and she has worked hard to bring summer reading to her affordable housing residents up and down the state. This year LifeSTEPS continued expanding its reach to more than 1000 kids and they conducted a pre and post assessment to better understand their summer reading outcomes. LifeSTEPS selected two sites from each of their five regions and two districts to determine whether its summer reading program helped prevent the "summer slide." Utilizing the San Diego Quick reading assessment tool, 172 children were tested in 20 communities in May and again in late August. The results were positive and helpful.

A full 61% of the children increased their reading level, 38% of the children maintained their reading level and a mere 1% of the children scored a lower reading level in August. "A basic value of LifeSTEPS is to continually innovate and improve the efficacy of our programs," said Beth Southorn. "By including the San Diego Quick Assessment we were able to document the effectiveness of the summer reading program. We are more

continued page 4

Thank You!

Major Donors: ($5,000 +)
Golden 1 Credit Union
Sacramento Housing Redevelopment Agency
Visions In Education

Directors Circle ($1,000 - $4,900)
Carol Hunter
Kristan Otto
Renee Thompson

Laureates ($500 to $999)
Russell & Elizabeth Austin
Ian & Kate Boase
Elly R. Davis
Downey Brand LLP
Dr. Richard G. Lockmiller
Mann, Urrutia, Nelson CPAs & Associates
Mercey Springs Foundation
Merryhill Midtown, Nobel Learning Communities, Inc.
Sierra Health Foundation
T-Dogg Studios
Susan Westaby

Bibliophiles ($250 to $499)
Elinor Anklin
Macey Dennis, M.D.
Diane R. Elam
Fort Sutter Lions Club of Sacramento Foundation
Optimist Club of Sacramento Foundation, Inc
David Rich & Susan Takahashi
Miki Vohryzek-Bolden
Dr. & Mrs. John P. Walter
Ray & Carol S. Zelinski

Literati ($100 to $249)
J. Keith Berger & Laura Santigian
Margaret C. Biorn
Sheila Bollenbach
Jessica Bond
Paul Briscoe
Barry S. & Karen Zeller Brokaw
Joan E. Brown
William & Karolee Bush
Aaron D. Caldwell
Christian Labau Chiropractic
Linda C. Cook
Colleen D. Craig
Susan Deffenbaugh
Scarlet La Rue Edber & Harvey Edber
Dennis & Mary Ellingson
Donna R. Ellison
William Fausset
Elizabeth Finnerty
Kathryn Fleming
Paul Fry
Nancy Garton
Lyle Spencer Gramling
Mary J. Green
Joyce C. Green
Evelyn Etta Grossi
Ben & Helen Hancock
Lyla K. Hanson
Dale Herzog
Charlotte Harvey
Nancy B. High
Richard Hill
Spencer Hirotsu & Debra L. Rogenmoser
Mr. Peter J. Horton & Dr. Jane de Leon
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Gary R. Hunter
Marlene Jackson
Roger Levy
Rose Kam
Judge Lawrence K. Karlton
Irwin Karp & Ann Bancroft
Terry & Penny Kastanis
Lynne M. Kataoka
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Friends of the Sacramento Public Library
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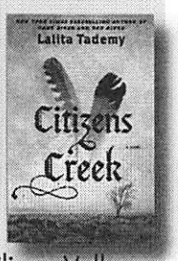
George J. & Olga Suffal

Contributions received September 10, 2015 through November 13, 2015

Authors 2016 Tickets on Sale!



Authors on the Move 2016, Pathways: American Stories, will feature Lalita Tademy and her recent book, *Citizens Creek*. Ms. Tademy became known to readers after leaving her executive technology career in Silicon Valley to write her first novel, *Cane Rive,r* which was an *Oprah Book Club* selection and *New York Times* best seller. In 1998 Ms. Tademy was named an African-American Innovator in the New Millennium at the Silicon Valley Tech Museum of Innovation. Her deep interest in her family's roots and the ongoing issues of racism and women's empowerment eventually led her to re-focus all of her energies on her second career – writing.

Authors on the Move is known for bringing together more than 40 plus distinguished California authors with their recently published books for an evening of literary delight. Beth Ruyak of Capital Public Radio's *Insight* will return this year as Mistress of Ceremonies as will auctioneer Pat Hume of David Sobon Auctions. Guests will enjoy a champagne reception, a four-course farm-to-fork meal at the Hyatt Regency, unlimited wine, conversations with three regional authors at their table, Lalita Tademy's keynote presentation, and a live auction which features opportunities to win one-time author experiences. The Avid Reader Bookstore offers all titles for purchase the night of the event. Sponsorship opportunities are available. Tickets are $225 per person or $1700 for a table of eight. For more information go to www.saclibraryfoundation.org or call 916.264.2990. *Authors on the Move* is being held on March 12, 2016, 5 p.m. to 10 p.m. at the Hyatt Sacramento. Event proceeds benefit Sacramento Public Library Foundation and the Sacramento Public Library's Summer Reading Program.

Summer Reading (continued)

than delighted at the results! Most certainly our close relationships with public libraries have been a major factor in this success." Congratulations LifeSTEPS!

Fathers and Families:

CENTER FOR *Fathers and Families*

LastMay, the Center for Fathers and Families (CFF) received a $2,500 *Walk4Literacy* grant to bring library resources and summer reading programming to its current programs. The grant added great value and impact to the CFF summer programming and will continue to impact its MASTERS afterschool programs through the current school year. Over 300 students were exposed to the library and reading during the summer program. More than 100 1st – 6th grade youth participated in the Sacramento Public Library's Summer Reading Challenge and every participant received three new books. "It is great to have the community fully represented from young to old, all ethnicities, and people from diverse backgrounds because of the *Walk4Literacy*. I am fortunate to be involved with the *Walk4Literacy* as a board member of the Foundation and as the Director of Community Development for Center for Fathers and Families," said Julius Austin.

EXHIBIT E

 A0796933

C1248970

FILED
Secretary of State
State of California
APR 17 2017

RESTATED ARTICLES OF INCORPORATION

The undersigned certify that:

1. They are the president and the secretary, respectively, of SACRAMENTO PUBLIC LIBRARY FOUNDATION, a California corporation.

2. The Articles of Incorporation of this corporation are amended and restated to read as follows:

ARTICLES OF INCORPORATION
OF
SACRAMENTO PUBLIC LIBRARY FOUNDATION

Article I

The name of this corporation is SACRAMENTO PUBLIC LIBRARY FOUNDATION.

Article II

A. This corporation is a nonprofit PUBLIC BENEFIT CORPORATION and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for public and charitable purposes.

B. The specific purpose of this corporation is to raise funds to support and promote the activities and programs of the Sacramento Public Library and community literacy programs.

Article III

A. This corporation is organized and operated exclusively for public and charitable purposes within the meaning of Internal Revenue Code Section 501(c)(3).

B. No substantial part of the activities of this corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of any candidate for public office.

Article IV

The property of this corporation is irrevocably dedicated to public and charitable purposes and no part of the net income or assets of this corporation shall ever inure to the benefit of any director, officer or member thereof or to the benefit of any private person. Upon the dissolution or winding up of the corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable purposes and which has established its tax exempt status under Internal Revenue Code Section 501(c)(3).

A0796933

3. The foregoing amendment and restatement of Articles of Incorporation has been duly approved by the Board of Directors.

4. The corporation has no members.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

Dated: Apr. 16, 2017

H. Vince Jacobs, President

Dated: 4.12.17

Kristan Otto, Secretary

EXHIBIT F

SACRAMENTO PUBLIC LIBRARY FOUNDATION News
Annual Report
www.saclibraryfoundation.org
December 2017 - January 2018

Appreciation.

Words are never warm and tender enough to express one's appreciation of a great kindness. Helen Keller

Appreciation is a value of the Foundation's that has many dimensions. At the top of the list is our appreciation for you, the donors who make ALL of our work possible. We would not be able to help children achieve grade-level reading without you. We have met many new donors this year through the SVP Sacramento Fast Pitch, the Walk4Literacy and the Big Day of Giving, and we are blessed with annual supporters who have continued their commitment to help the Library get all children to read.

ap·pre·ci·a·tion
1. the recognition and enjoyment of the good qualities of someone or something
2. gratitude for something
3. a full understanding of a situation
4. increase in monetary value

We truly appreciate the Sacramento Public Library and its dedicated staff tasked with making sure our Library is a valuable community institution to all our citizenry - no small feat. Summer Reading at the Sacramento Public Library is one of the most successful summer reading efforts in the State of California. The Foundation is growing the Children's Literacy Endowment to maintain this level of success for all time and we are confident everyone will be able to appreciate that!

We understand the current dilemma in which our children find themselves: that 2 out of 3 are not reading at grade-level. While we have seen recent small gains, we are far from the finish line. We are thankful for the amazing commitment Golden 1 has shown to the literacy community and the grant we received to create an electronic Community Literacy Map identifying literacy resources being offered to children and producing an annual report card. This project will bring efficacy to our entire literacy community and help us achieve bigger results faster.

And finally, a critical component of our strategy is to manage our endowed assets so they are achieving the greatest possible appreciation in value, which in turn allows us to make greater distributions to the Library each year. This was a good year for our endowment assets and we are grateful to those donors who can envision a more sustainable future through endowment building.

Our vision that we put in place 5 years ago, to increase revenues, including endowments, focused on children's literacy, has helped us build new relationships and better understand the current status of our literacy community. Thank you so much for your support in making our Library better for us all. Your support most definitely matters!

Mission: To enhance the Library's ability to serve the community by raising private funds.

Vision: The Foundation will increase endowments and total revenues to fund programs that promote children's literacy.

Our Goals: Increase total annual revenues with an emphasis on funding children's literacy programs without sacrificing traditional program funding. Develop approaches to increase funding for Foundation operations independent of funds raised for the library. Enhance the capacities of leadership particularly in the area of fundraising.

Foundation Board of Directors
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Vice President, James Deeringer
Treasurer, Ahamadou Bocar
Secretary, Kristan Otto
Julius Austin
Katy Boase
Ashley Boulton
Clark Carter
Jeanne Peterson
Elvia Ramirez

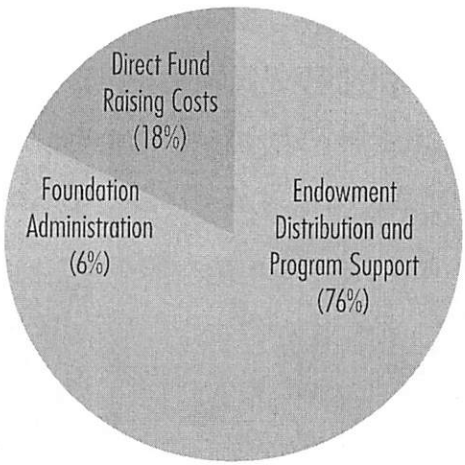
Library Leadership
Library Director, Rivkah Sass

Foundation Staff
Executive Director, April L. Javist
Operations Manager, Natosha D. Roberts
Office & Database Administrator, Dejan Zbur

Newsletter Design: Sheila Grant

Financial Overview

Each year the Sacramento Public Library Foundation hires an independent auditor to make sure that donor support is being used appropriately and to make sure our accounting and financial policies and procedures meet and exceed financial requirements set forward by the IRS and the California Attorney General. For a fifth year in a row, Mann Urrutia Nelson CPAs and Associates, LLP has issued an unmodified opinion of the Foundation's financial statements, which means our records are thorough and accurate and your support is managed professionally.



Where your support went by the numbers

Endowment Distributions		
Books and Materials Endowment	$	36,485
Sacramento Room Endowment	$	38,577
Library Projects & Programs		
Summer Reading	$	125,000
Early Literacy	$	14,427
Various designations	$	37,338
Foundation Programs		
Author Engagement	$	164,925
Literacy Engagement	$	142,188
Foundation Operations		
Total Foundation Administration	$	46,109
Total Fundraising Costs	$	137,681

Endowment Performance (July 1, 2016 - June 30, 2017)

	As of 7/1/2016	As of 7/1/2017	Annual Return *
Books and Materials Endowment	$ 1,127,946	$ 1,208,012	12.4 %
Sacramento Room Endowment	$ 1,042,469	$ 1,116,193	12.4 %

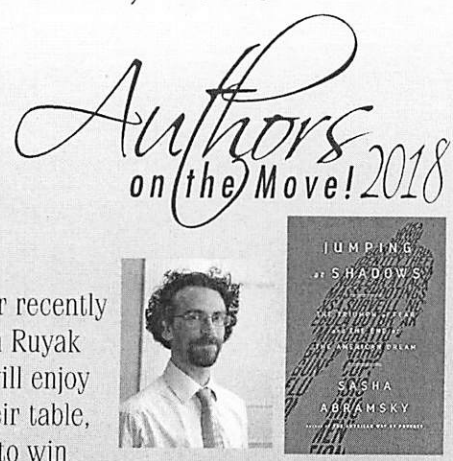
* Includes distributions and fees

Our 990's and audited financial statements will be available on our website on December 10, 2017 @ http://saclibraryfoundation.org/financial-information/.

Authors on the Move Save the Date, March 10, 2018

Sasha Abramsky will be our keynote author for *Authors on the Move* 2018! Mr. Abramsky will be discussing his recently published novel, *Jumping At Shadows: The Triumph of Fear and the End of the American Dream.*

"Why do we fear infrequent acts of terrorism more than the far more common acts of violence? Why does a disease like Ebola provoke panic whereas the flu (which takes far more lives annually) is dismissed with a yawn?" Sasha Abramski's accounting of today's political and cultural landscape attempts to address our fears and teach us about ourselves. Once again we will have 45 regional authors who will delight guests with their recently published books, a locally farmed 4-course meal, Capital Public Radio's Insight host Beth Ruyak as Mistress of Ceremony and auctioneer Pat Hume from David Sobon Auctions. Guests will enjoy a champagne reception, unlimited wine, conversations with three regional authors at their table, Sasha Abramsky's keynote presentation, and a live auction which features opportunities to win one-time author experiences. The Avid Reader Bookstore offers all titles for purchase the night of the event.



Sponsorship opportunities are available. Tickets are $250 per person or $2000 for a table of eight. To inquire further or purchase tickets, go to our website at www.saclibraryfoundation.org, or reach April Javist at 916-836-3556 or april@saclibraryfoundation.org. Authors on the Move is being held on March 10, 2018, 5 p.m. to 10 p.m. at the Hyatt Regency in downtown Sacramento. This event just keeps getting better while creating more and more support for our Library's Summer Reading Program and the Foundation's operations!

Sacramento's 4th Annual *Walk4Literacy*

Sacramento's 4th Annual *Walk4Literacy* on Saturday, October 21, 2017 was sunny all day and a great deal of family fun was had by all. Energy was high as more than 850 walkers including literacy providers, literacy investors, and families using literacy resources came together for a fun 4-mile walk that ended with the Family Literacy Festival at Cesar Chavez Park. More than 24 literacy organizations came to meet the walkers with fun activities, the Friends of the Library gave free books to children, Nestle donated water bottles for each walker and the Fort Sutter Lions Club gave free hotdogs and chips to everyone. The Sacramento Mandarins beat their drums to energize the group at the beginning, middle and end of the walk, while the band The Dey Trippers performed live music at Cesar Chavez Park.

The goal of the *Walk4Literacy* is to create awareness and increase financial support for nonprofits addressing grade-level reading. The *Walk4Literacy* was produced by collaborating organizations: 916Ink, Teach For America and the Foundation, which believe that the literacy crisis in Sacramento will be solved through synergies gained collaboration toward grade-level reading.

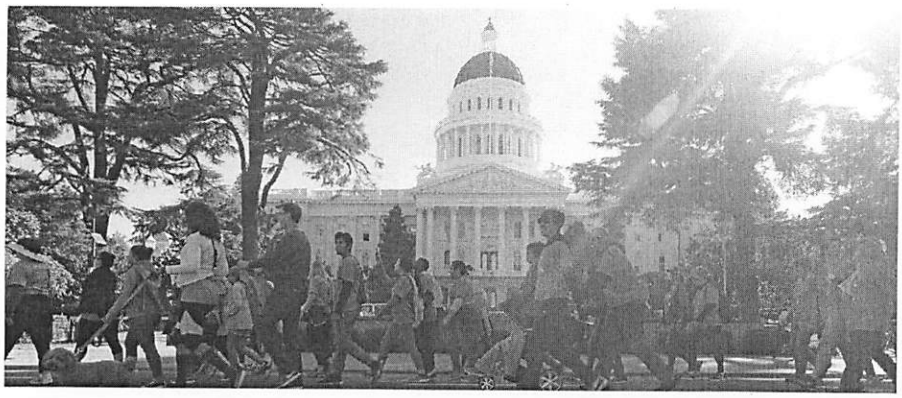
We are appreciative that 100% of every group, family and individual registration will go directly to solving Sacramento's literacy crisis. Thank you Sacramento for showing your support for children and literacy.

walk4literacy.org

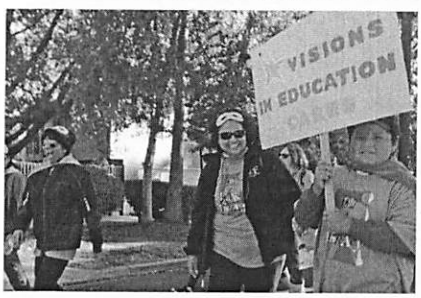
SACRAMENTO PUBLIC LIBRARY FOUNDATION

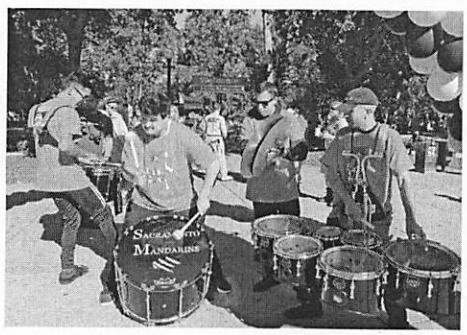
916 ink Sacramento Youth Writers

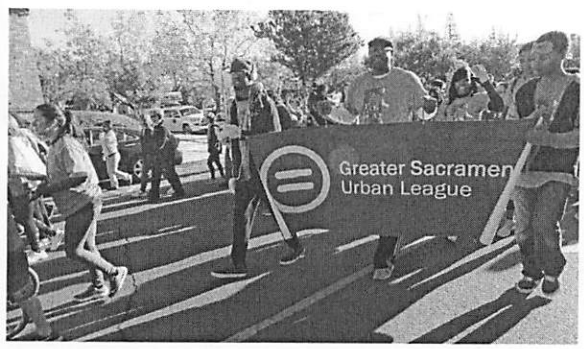
TEACHFORAMERICA



...more than 850 walkers including literacy providers, literacy investors, and families using literacy resources came together for a fun 4-mile walk...







Thank You!

Major Donors: ($5,000 +)
Golden 1 Credit Union

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Kit Kirkpatrick
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Natosha D. Roberts
Martin Rosenberg
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Dejan Zbur
Melanie Zbur

In Memory
Joyce Brinsky
Carla Ann Carlberg
Dick Carlson
Dante Daniels
Kevin Grootveld
Peter & Harold Hill
Howard Lee
Ryan Emilio May
JoanneNorth
Herb Perry
Mollie Raphael
Carmela Ruby
Lenore & Mary Russell
Audrey Shore
Elizabeth Barnsley White

In Honor
Murphy Austin Adams Schoenfeld LLP
Mary Ellen Shay's Birthday
Sydney Stephens

Named Endowments
Boxer Family
Sandra & Steven Felderstein
Friends of the Sacramento Public Library
Indru & Pramila Kriplani Trust
Alex Law Memorial Fund
Lois Ann Rosenberg
Jack & Lilian Sioukas
George J. & Olga Suffal

Contributions received September 9, 2017 through November 3, 2017.

Planning Giving to the Foundation

If you are thinking about making a planned gift to the Library Foundation, either during your lifetime or at death, here are a few things you might want to keep in mind:

- Consider a distribution directly from your IRA to the Foundation.
- If you make that distribution during your lifetime, the transfer will count toward your required minimum distribution (if you are over 70 1/2) and will be essentially 100% income tax deductible - since you won't have to recognize the ordinary taxable income that you would otherwise have to recognize on the IRA distribution.
- If you name the Foundation as an at-death beneficiary of your IRA, your heirs will avoid paying income tax on the amount passing to the Foundation.
- If you give the same amount to your heirs from some other, non-IRA asset instead, they will receive the gift free of any income tax liability and thus come out substantially ahead.
- If you make your gift as an at-death bequest, consider providing for the gift in a revocable living trust rather than in your will in order to avoid the delay and cost associated with probate.

Always consult your financial and or legal professionals when you have questions about maximizing your contribution. If you don't have professional assistance, we can assist you with recommendations.

The Foundation is prepared to ensure your support is directed exactly in accordance with your estate plan. Please call our offices at 916-836-3540 for further assistance.

EXHIBIT G

SACRAMENTO PUBLIC LIBRARY FOUNDATION

Relationship.

A little Consideration, a little Thought for Others, makes all the difference.

— A. A. Milne, *Winnie the Pooh*

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[redacted]
Sacramento, CA 958[redacted]

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President

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Chair, Sacramento
Library Authority

Dear [redacted]

With your help, and the efforts of many others, we are gradually moving the needle on children's literacy in this region. As recently as a couple of years ago, some 60% of students in Sacramento County were reading below grade-level. The most recent data shows that 53% are reading below grade-level. This is progress, but it remains the case that over half of our students cannot read at grade-level.

At the Sacramento Public Library Foundation, our main focus is helping children attain grade-level reading proficiency. We're doing this by funding the Library's Summer Reading Program, which is designed to enable students to avoid losing reading proficiency over the summer and slipping further behind grade-level. The Foundation's current endowment campaign, the Children's Literacy Endowment, is dedicated to children's literacy, with the goal of funding the Summer Reading Program at an increased level and to do so for all time.

As the year end approaches, I invite you to include the Sacramento Public Library Foundation in your end-of-year giving. A gift to the Foundation is a very cost-effective investment in the future of our community. The cost of bringing a child back up to grade-level after one summer of not reading is estimated to be $1,500. The Summer Reading Program, with 16,247 school age finishers, thus achieved a $24 million savings this year alone!

Continued...

Literacy is a relational skill. A child's relationships – to parents, to siblings, to friends, and to his or her library and other sources of printed matter – are what enable the child to read, and reading is what enables a child to build deeper, richer relationships. One's relationship to the wider world and ability to participate fully in his or her world depends on reading facility. Our aim is to give as many children in our region as possible the literacy skills necessary to function fully in our interrelated world. Please help us achieve that goal.

We thank you in advance for your investment in the health of our community.

James L. Deeringer
Board President

Sacramento Public Library Foundation
2411 Alhambra Blvd., Suite 120 | Sacramento, CA 95817
916.836.3540
www.saclibraryfoundation.org
Tax I.D. 68-0029756

EXHIBIT H

SACRAMENTO PUBLIC LIBRARY FOUNDATION

News

ANNUAL REPORT

www.saclibraryfoundation.org

December - January 2020

Relationship.

A little Consideration, a little Thought for Others, makes all the difference. —A. A. Milne, *Winnie the Pooh*

Philanthropy allows us to build relationships that enlarge our world.

re·la·tion·ship
/ri-'lā-sh n-,ship/

1. the way in which two or more concepts, objects, or people are connected, or the state of being connected.

It allows us to express our values and extend ourselves into places where our values can be realized. We are grateful to be in this values-based relationship with you.

The relationships that have been built over the Foundation's 35 years are many – past and present Board members, community leaders, literacy related nonprofits, Californian authors and you, our donors and supporters. The millions of dollars of support that the Library Foundation has given to the Sacramento Public Library has been made possible by individuals who have given and who have invited their friends and colleagues to join them.

These many and varied relationships have created legacy endowments for all time and program investments that have benefited our Library annually. Legacy endowments include Books and Materials, Persian Language Books, Materials and Programs and the Sacramento Room. Soon, annual distributions from the Children's Literacy Endowment to the Summer Reading Program at the Library will begin. In addition to endowments, Foundation initiatives have included capital campaigns for branch expansion, most notably, the creation of the Sacramento Room, referenced as the "Crown Jewel" of our Library. Children's Areas at branch locations including Arden Dimick, Belle Cooledge, Carmichael, Colonial Heights, Pocket Greenhaven, North Highlands – Antelope, Southgate, South Natomas and Sylvan Oaks, have all been created through our relationship with you. Together, with nearly $900,000 in program support over the last 9 years, we have incentivized the Library to reach nearly 5 times as many children during the summer.

The Foundation's focus on children's literacy has helped us build new relationships. This year, the Foundation became the official convener of the national Campaign for Grade-Level Reading. The Community Literacy Map has energized Sacramento's literacy community and we are all deepening our relationships and resolve because, still, 54% of children in Sacramento County cannot read at grade-level, and while we have seen recent gains in children's literacy, we are far from the finish line.

We are truly grateful for your relationship to the Foundation, which has led to so many positive and sustainable contributions to the library and literacy in this community.

Thank you so much. Your support most definitely matters!

Mission:

To enhance the Library's ability to serve the community by raising private funds.

Vision:

The Foundation will increase endowments and total revenues to fund programs that promote children's literacy.

Our Goals:

Increase total annual revenues with an emphasis on funding children's literacy programs without sacrificing traditional program funding. Develop approaches to increase funding for Foundation operations independent of funds raised for the library. Enhance the capacities of leadership particularly in the area of fundraising.

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Library Director, Rivkah Sass
Deputy Director, Jarrid Keller
Deputy Director, Kathy Middleton

Foundation Staff

Executive Director, April L. Javist
Operations Manager, Dejan Zbur

Newsletter Layout

T.Dogg Studios

SACRAMENTO PUBLIC LIBRARY FOUNDATION

2019 Foundation Financial Overview

Each year, the Sacramento Public Library Foundation hires an independent auditor to make sure that donor support is being used as directed by the donor and to make sure our accounting and financial policies and procedures meet and exceed financial requirements set forward by the IRS and the California Attorney General. For a seventh year in a row, Mann Urrutia Nelson CPAs and Associates, LLP has issued an unmodified opinion of the Foundation's financial statements, which means our records are thorough and accurate and your support is managed professionally.

Where your Support Went - By the Numbers

ENDOWMENT DISTRIBUTIONS TO THE LIBRARY

Books and Materials	$ 43,582
Sacramento Room	$ 39,823

LIBRARY PROJECTS AND PROGRAMS

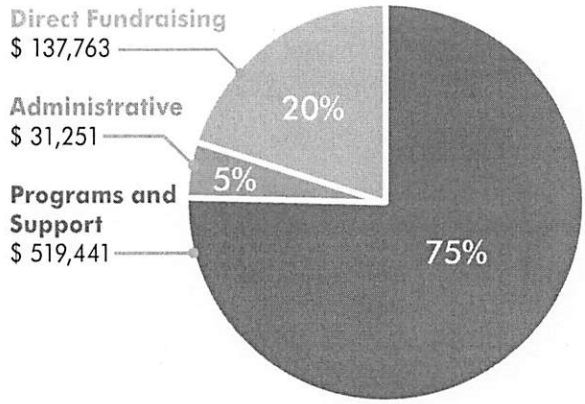
Summer Reading	$ 100,000
Various designations	$ 21,256

FOUNDATION PROGRAMS

Author Engagement	$ 153,684
Literacy Engagement	$ 156,196

FOUNDATION OPERATIONS

Total Foundation Administration	$ 31,251
Total Fundraising Costs	$ 137,762



Endowment Performance (July 1, 2018 - June 30, 2019)

	As of 7/1/2018	As of 6/30/2019	Annual Return*
Books and Materials Endowment	$ 1,226,962	$ 1,243,508	6.65 %
Sacramento Room Endowment	$ 1,140,485	$ 1,160,929	7.04 %

** Includes distributions, withdrawals and fees. Our 990's and audited financial statements will be available on our website on December 20, 2019 by visiting www.saclibraryfoundation.org/financial-information/.*

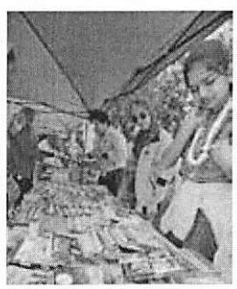
Sacramento's 6th Annual *Walk4Literacy*

walk4literacy.org

Weather could not have been better for the 6th Annual *Walk4Literacy*. The sun was bright and warm as over 800 walkers, including literacy providers, literacy and families came together for a fun 4-mile walk through some of Sacramento's oldest neighbors that ended with the Family Literacy Festival at Sacramento State. More than 20 literacy organizations came to meet the walkers with fun activities. Golden 1 and Sacramento State students gave free books to children and food trucks with family meals were available for all participants. The Sacramento Mandarins beat their drums to energize the group at the beginning, middle and end of the walk, while *Clean Slate* performed live music at Sacramento State. City Year volunteers in their yellow jackets kept spirits high along the route and West Campus once again led the high school contingency.

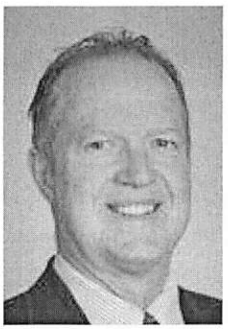
The goal of the *Walk4Literacy* is to create awareness, build relationships and increase financial support for nonprofits addressing grade-level reading.

Join us next year on Saturday, October 24th as we continue to grow the *Walk4Literacy* and the Family Literacy Festival in 2020!



Golden 1 Credit Union · VISIONS IN EDUCATION · THE SACRAMENTO BEE Stay Connected » sacbee.com · SACRAMENTO STATE · SACRAMENTO PUBLIC LIBRARY FOUNDATION · THE IMPACT FOUNDRY · 916 ink Youth Writers

Meet the Board....



Robert Honaker has worked for Anthem Blue Cross for over thirty years, with a focus on improving the well-being of the members he serves through creating programs designed to improve healthcare delivery, increase long-term stability, and support transformational ideas around individual's engagement in their own health and the systems that provide their care.

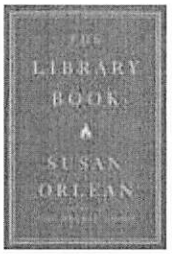
The importance of literacy started for Robert at an early age, with his parents both being educators. Their commitment to education, irrespective a child's situation, extended beyond their jobs and was foundational for him. He believes that reading and providing support to those in need are fundamental to our society. Every child has the right to pursue happiness, which can only be available if they can read. This can only happen through the support of the underserved, and the Library Foundation's dedication to raising funds in support of public efforts matched these values.

> Every child has the right to pursue happiness, which can only be available if they can read.

"In my profession, I have seen that health literacy is crucial to an individuals' engagement in their health and that interventions are necessary to improve literacy," said Robert. "That intervention must start with the children in our community and the Foundation's mission aligns with this need. I look forward to serving on the Board with the goal of helping everyone lead a better life through reading competency."

Authors on the Move 2020.....

We are thrilled that Susan Orlean will be our keynote author for Authors on the Move 2020, held on March 14, 2020 at the Hyatt Regency!



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Anthem BlueCross

Weaving her lifelong love of books and reading into an investigation of the 1986 fire at the Los Angeles Public Library, award-winning *New Yorker* reporter and *New York Times* bestselling author Susan Orlean delivers a mesmerizing and uniquely compelling book that manages to tell the broader story of libraries and librarians. Brimming with her signature wit, insight, compassion, and talent for deep research, *The Library Book* reveals how these beloved institutions provide much more than just books—and why they remain an essential part of the heart, mind, and soul of our country.

Tickets are available now on our website, saclibraryfoundation.org. Once again we will have 45 regional authors who will delight guests with their recently published books, a locally farmed 4-course meal, Capital Public Radio's *Insight* host Beth Ruyak as Mistress of Ceremony and auctioneer Pat Hume from David Sobon Auctions.

This event just keeps getting better while creating more and more support for our Library's Summer Reading Program and the Foundation's operations!

Golden 1: Supporting our Community.....

Erica Taylor, Vice President, Communications and Community Relations

Golden 1 Credit Union

At Golden 1 Credit Union (Golden 1), we believe in taking an active role to better the communities we serve, and this includes helping local youth gain access to the resources they need to become strong leaders. We not only spend our days helping our members learn about the importance of financial literacy; we also constantly look for new ways to help local students strengthen their literacy skills. Literacy is vitally important, and that's why we are so proud to be the Sacramento region's largest funder of literacy initiatives. This includes the important work of the Sacramento Public Library Foundation (Foundation).

We were pleased to support the 6th Annual *Walk4Literacy*, which we have supported each year. Thanks to the community's participation in our book drive, we were also able to distribute used books to walk participants.

In 2016, the Foundation was a recipient of our Golden 1 Community Grant Program, which awards grants to nonprofits that support literacy and foster youth initiatives. This funded the creation of a Sacramento County Literacy Map, which now serves as a resource to identify where literacy support is needed most in the county.

We are honored to work with so many organizations like the Sacramento Public Library Foundation that are dedicated to bettering the community and investing in the future of the region.

Thank you

Contributions received September 17, 2019 through November 9, 2019.

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Planning Giving to the Foundation

If you are thinking about making a planned gift to the Library Foundation either during your lifetime or at death, consider a distribution directly from your IRA to the Foundation.

For gifts made during your lifetime, a transfer from your IRA will count toward your required minimum distribution (if you are over 70 1/2) and is essentially 100% income tax deductible. Since the distribution to the Foundation is being made directly from your IRA and not from a non-IRA source, it is not subject to the limitations relating to adjusted gross income that would otherwise apply.

For gifts made at-death from your IRA, the distribution amount will be excluded from your taxable estate and your heirs will avoid paying income tax on the gift amount, which would otherwise be taxed 100% as ordinary income to them. The distribution amount will also be excluded from your taxable estate at your death. Your heirs will thus come out substantially ahead when you (or they) make your contribution from your IRA account.

Always consult your financial and or legal professionals when you have questions about maximizing your contribution. If you don't have professional assistance, we can furnish you with recommendations.