

SECRETARY OF STATE
Division of Securities and Business Regulation

INTEROFFICE MEMORANDUM

TO: Bob Terry

FROM: Alison Spiers

SUBJECT: H. Lamar Willis Foundation, ENCH-00268

DATE : December 19, 2007

This office opened an investigation into the H. Lamar Willis Foundation ("the Foundation") on July 31, 2007, after an Atlanta Journal and Constitution ("AJC") article exposed the Foundation as erroneously representing its tax exempt status. Upon review of our registration records, this office determined that the Foundation had not registered as required under Georgia's Charitable Solicitations Act.

After further investigation, it was determined that the Foundation has been in existence since 2002 and supposedly has provided scholarships to some 90 students in Georgia as well as supporting tennis camps and reading programs for the Atlanta community. The Foundation website links to H. Lamar Willis' City Council website as well as other websites. The logo of the Foundation is the same logo as is on Willis' personal website. A review of the website found no statements regarding possible tax deductibility for contributions and no statements regarding the 501(c)(3) status of the Foundation. However, according to the AJC, before they contacted Mr. Willis in preparation for their article, the website stated, "The H. Lamar Willis Foundation is designated as a 501 (c)(3) and contributions are tax deductible." Soon after he was contacted, this sentence was purportedly removed from the website, and the Foundation was registered as a corporation with our office.

This office issued an administrative subpoena to the Foundation for various records that are kept in the normal course of business for a charity on August 2, 2007. Mr. Willis, through his attorney, partially responded to our subpoena on October 31, 2007. I spoke with Mr. Gregory Worthy, an attorney with Powell Goldstein LLP who is currently representing the Foundation, and advised him that the production was missing many of the requested documents. I requested that he either provide the remaining documents or write a letter stating that they do not exist. I have received nothing further from either Mr. Worthy or from Mr. Willis.

S2426

The partial production provided us with the name of the credit union the Foundation was using, so we subpoenaed the account records of the Foundation dating from January 2004 to the present, in an attempt to determine how the funds were used. Mr. Willis has three separate accounts under his social security number with the Southern Federal Credit Union. Mr. Willis established account 101180-50 (the "Foundation account") entitled "H. Lamar Willis DBA Scholarship Foundation" under his credit union account, without providing a tax identification number. A total of \$196,810 was contributed to the Foundation account. Out of this amount \$53,528.15 was transferred to his personal account (101180-90), and \$12,343.39 was transferred back from his personal account to the Foundation account. This left a positive inflow to his personal account from the Foundation account of \$41,184.76. Also \$7,253.00 was transferred into the third account, which we believe is his campaign account (101180-10). \$12,688.54 was transferred from this account to the Foundation account, leaving a net inflow from the presumed campaign account of \$5,435.54. Combining all transfers in and out of his three accounts shows a total outflow of \$35,749.22 from the Foundation account.

It appears that all the contributions were payable to the H. Lamar Willis Scholarship foundation. On May 6, 2005, a check payable to "Committee to Elect H. Lamar Willis" in the amount of \$2,000 was "erroneously" deposited into the Foundation account. The back of the check had an endorsement stating "for deposit only Committee to Elect H. Lamar Willis 101180-10". According to the bank statement the deposit was then transferred to his personal account. Attached is a report detailing transfers from the Foundation account.



SECRETARY OF STATE
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Report of Investigation

TO: Alison Spiers, Enforcement Attorney
FROM: Dana Evans, Investigative Accountant
RE: Henry Lamar Willis
DATE: December 19, 2007

Scholarships	total	\$60,950
Transfers to 90	total	\$53,528.15
Golf and all that appears To be related (photos, bags, Valet, etc)	total	\$49,049.15
Unknown withdrawals	total	\$13,700
Party/dinners	total	\$10,440.80
Miscellaneous	total	\$10,516.58 (maybe \$3,000 scholarship)
AmEx	total	\$8,159.18
Transfers to 10	total	\$7,253
Congratulations ads	total	\$5,800
NSF fee	total	\$ 504
TOTAL DEDUCTIONS		\$219,900.86

S2428

Deposits from contributors	total	\$196,810
Transfers from 90	total	\$12,343.39
Transfers from 10	total	\$12,688.54
TOTAL DEPOSITS		\$221,841.93

Balance on last statement (10/31/07) that we have is \$7.00

Beginning balance on first statement (01/01/04) was \$1790.87

\$2429

Foundation Contributors

Date	Contributor	Address	Amount
5/24/2005	AGL Resources		\$2,000.00
8/4/2005	Airport Management Services, LLC	East Rutherford, NJ	\$2,000.00
8/18/2006	Airport Management Services, LLC	East Rutherford, NJ	\$2,000.00
1/27/2004	Airtran Airways, Inc.	Orlando, FL	\$5,000.00
7/1/2004	Airtran Airways, Inc.	Orlando, FL	\$2,000.00
7/25/2006	Airtran Airways, Inc.	Orlando, FL	\$5,000.00
6/9/2004	AMC, Inc.	Orlando, FL	\$5,000.00
6/9/2004	AMC, Inc.	240 Peachtree, Atl	\$5,000.00
8/18/2005	AMC, Inc.	240 Peachtree, Atl	\$5,000.00
12/18/2006	Atlanta GA. Public Employees	240 Peachtree, Atl	\$5,000.00
11/18/2005	Bellsouth	501 Pullman, Atl	\$500.00
8/27/2007	Benjamin Decosta (memo: mulligan)	1343 Cascade Falls, Atl	\$20.00
8/27/2004	Boatright Aviation Consultants Inc.	145 Misty Forest DR, Fayetteville	\$980.00
8/11/2004	Brockbuilt LLC	2001 Marietta Rd, Atl	\$500.00
3/24/2006	Brockbuilt LLC	1429 Fairmon Ave, Atl	\$1,500.00
8/10/2004	Brown & Caldwell Consultants Williams, Russell & Johnson Inc JV	41 Perimeter Center, Atl	\$2,000.00
8/17/2006	Brown and Caldwell	Golden, CO	\$1,100.00
8/18/2004	CDM	Cambridge, MA	\$2,000.00
8/4/2004	Charles R. Stephens	1369 Cascade Falls, Atl	\$100.00
11/12/2004	City of Atlanta, Dept of Finance		\$2,000.00
7/5/2005	City of Atlanta, Dept of Finance		\$2,000.00
9/11/2006	City of Atlanta, Dept of Finance		\$2,000.00
8/10/2004	ClearChannel Worldwide	San Antonio TX	\$1,200.00
6/17/2005	ClearChannel Worldwide	San Antonio TX	\$1,200.00
7/14/2005	Coca Cola Bottling		\$1,000.00
7/27/2006	Coca Cola Bottling		\$4,000.00
7/20/2005	Comcast Financial Agency Corporation	600 Galleria Pky, Atl	\$2,000.00
8/20/2004	Corey Airport Services, Inc.	225 Corey Center	\$1,200.00
8/12/2004	CV Underground LLC	50 Upper AL St, Atl	\$600.00
7/22/2005	CV Underground LLC	50 Upper AL St, Atl	\$600.00
7/31/2006	CV Underground LLC	50 Upper AL St, Atl	\$2,000.00
8/20/2004	Dobbs, Ram & Company	615 Peachtree, Atl	\$250.00

8/24/2005	Donald A Perry & Marilyn B Perry	4305 Sandstone, Lithonia	\$300.00
7/29/2005	Dreamsan, Inc.	4785 Fulton Ind Blvd., Atl	\$2,000.00
9/14/2006	Dreamsan, Inc.	478 Fulton Ind Blvd, Atl	\$2,000.00
7/25/2007	Dreamsan, Inc.	4789 Fulton In , Atl	\$2,000.00
7/27/2006	Dynasty Holdings, LLC dba The Dynasty Group	PO Box, Atl	\$200.00
8/10/2004	Enterprise Rent-a-car	3064 Syvan Rd, Hapeville	\$2,000.00
6/21/2005	Enterprise Rent-a-car	3064 Syvan Rd, Hapeville	\$2,000.00
9/10/2004	Fredrieca G. Cooper	2831 Baker Ridge Dr., Atl	\$125.00
9/3/2004	Georgia Power	241 Ralph McGill Blvd, Atl	\$2,000.00
3/22/2006	Georgia Power	241 Ralph McGill Blvd, Atl	\$300.00
8/10/2004	Georgia-Pacific Shared Services Corporation	Jacksonville, FL	\$2,000.00
7/26/2005	Global Concessions, Inc.	PO Box, Atl	\$5,000.00
12/8/2006	Greene Classic Limousines	1359 Ellsworth, Atl	\$250.00
7/4/2004	Harsfield-Jackson Construction Management, JV	999 Peachtree St, Atl	\$2,000.00
7/13/2005	Harsfield-Jackson Construction Management, JV	504 Fair St, Atl	\$2,000.00
10/2/2006	Harsfield-Jackson Construction Management, JV	504 Fair St, Atl	\$2,000.00
6/22/2007	Harsfield-Jackson Construction Management, JV	504 Fair St, Atl	\$1,500.00
8/18/2006	Heery	Bethesda, MD	\$2,000.00
8/5/2004	HJ Russell & Co, A/P disbursement account	Bethesda, MD	\$7,500.00
6/22/2005	HJ Russell & Co, A/P disbursement account	East Rutherford, NJ	\$2,000.00
12/6/2006	HJ Russell & Co, A/P disbursement account	1266 S. Loop, College Park	\$2,000.00
8/13/2004	HMS Host	1255 S. Loop, College Park	\$1,200.00
8/23/2006	HMS Host	750 Southland Pass, St Mtn	\$300.00
8/12/2004	Hudson News A/P	740 E. Morningside, Atl	\$300.00
8/4/2004	International Aviation Consultants, LLC	230 Peachtree, Atl	\$2,000.00
8/22/2006	International Aviation Consultants, LLC	1233 N. Highland Ave, Atl	\$1,000.00
8/17/2004	Jeffery G. Dingle, P.E. Marian C. Dingle	1401 Peachtree St, Atl	\$900.00
8/28/2006	John C Patronis Krisa Patronis (team Lascala)	1401 Peachtree St, Atl	\$600.00
1/24/2005	Johnson Controls	3225 Cumberland Blvd, Atl	\$300.00
8/19/2004	Khafra Engineering Consultants	2300 Marquis, Atl	\$1,200.00
1/12/2004	Lascala & Lascala, LLC	3391 Peachtree Rd, Atl	\$500.00
8/18/2005	Lascala & Lascala, LLC	3391 Peachtree Rd, Atl	\$1,200.00
8/29/2006	Lascala & Lascala, LLC	3391 Peachtree Rd, Atl	\$1,200.00
8/2/2006	Lawrence P. Kelly	3391 Peachtree Rd, Atl	\$2,000.00
8/14/2006	Lawson, Davis, Pickren & Seydel, LLP		
8/18/2004	Laz Parking/Georgia, Inc		
7/16/2006	Laz Parking/Georgia, Inc		

8/17/2004	MARTA General Operating Account							
8/10/2004	Matsco Inc.	2424 Piedmont RD, Atl					\$100.00	
8/22/2006	Matsco Inc.	Marietta, GA					\$2,000.00	
7/18/2005	Michael J Reiter	PO Box, Marietta					\$2,000.00	
6/15/2004	MWH	4965 Chatsworth Ln, Suwanee					\$300.00	
6/15/2004	MWH	Pasadena, CA					\$2,000.00	
5/23/2005	Novare Group Holdings, LLC	Pasadena, CA					\$2,000.00	
7/24/2006	Novare Group Holdings, LLC	617 Peachtree St, Atl					\$2,000.00	
12/20/2004	Official Check, Frieda W. Morris, "loan"	817 W. Peachtree st, Atl					\$2,000.00	
7/7/2004	Parking Company of America	Cincinnati, OH					\$15,000.00	
8/24/2006	Pond & Company	3500 Parkway Ln, Norcross					\$1,000.00	
8/12/2004	Pond & Company dba Armour Cape & Pond	2635 Ccentury Pky, Atl					\$600.00	
7/15/2005	Pond & Company, Inc.	2635 Ccentury Pky, Atl					\$1,000.00	
6/30/2004	Pope & Land Enterprises, Inc.	3225 Cumberland Blvd, Atl					\$300.00	
8/4/2005	Quality Minded Remodelers, Inc.	1022 Swathmore Dr, Atl					\$2,000.00	
9/8/2005	R&H, Reynolds, Smith and Hills, Inc.	Jacksonville, FL					\$165.00	
3/4/2005	Regional Recycling, LLC	906 Adamson ST, Atl					\$600.00	
12/13/2006	Richard Bowers and Company	260 Peachtree St, Atl					\$500.00	
12/18/2006	Roseman, Inc.	3421 Dogwood Dr, hapeville					\$500.00	
7/29/2005	Scott D. Geller	1070 Ferncliff Rd, Atl					\$500.00	
3/3/2004	Siemens	Orlando, FL					\$1,500.00	
10/22/2004	Star Parking, Inc., Parking Company of America, Inc.	Cincinnati, OH					\$200.00	
9/10/2004	Susana Chavez John Cook	563 Seminole Ave, Atl					\$200.00	
8/30/2006	Terence A Morris	641 Flat Shoals Ave, Atl					\$100.00	
3/11/2005	The Grape Development Co., LLC	4300 Paces Ferry Rd, Atl					\$500.00	
8/25/2004	The LPA Group Inc.	Columbia, SC					\$1,000.00	
8/30/2006	The LPA Group Inc.	Columbia, SC					\$600.00	
7/20/2006	The Sembler Company	St. Petersburg, FL					\$1,000.00	
7/23/2004	Thrasher Contracting, LLC	1500 Marietta, Atl					\$1,000.00	
7/30/2004	Turner Broadcasting System, Inc.	101 Marietta St, Atl					\$1,000.00	
7/11/2004	Turner Construction Co.	3424 Peachtree Rd, Atl					\$2,000.00	
7/6/2004	URS	Austin, TX					\$2,000.00	
8/27/2004	Viki H Pino David W Pino	1060 Charleston Trace, Roswell					\$250.00	
8/12/2004	Walter P. Moore and Associates, Inc., Atlanta Office Location 36	1201 Peachtree St, Atl					\$1,200.00	
7/29/2005	Walter P. Moore and Associates, Inc., Atlanta Office Location 36	1201 Peachtree St, Atl					\$1,200.00	
7/19/2006	Waste Management	Houston, TX					\$500.00	
8/28/2006	William H. Lawson	285 Peachtree Ctr, Atl					\$210.00	

8/28/2006 William R. Mosley JR Melonie Moseley
7/14/2005 Wrenc P Kelly

95 Mallory villas, St Simon Is
1 Cumberland Blvd, Atl

\$430.00
\$1,200.00
\$174,530.00

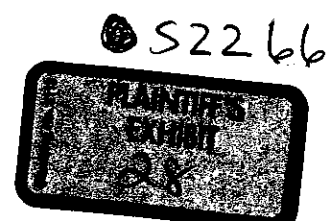
Henry Lamar Willis

Sources of funding for the
Henry Lamar Willis Foundation

Donations		286,062.29
Loan		9,000.00
Offical check from Freieda W. Morris in the amount of \$15,000. \$9,000 deposited into Foundation account. Memo said "Loan". No evidence that it was repaid.		
Transfers into account		32,567.44
Transfers from other accounts at The Southern Federal Credit Union. Classified as credits to "Loans from Shareholder"		
	Total funding	327,629.73

Use of funding for the
Henry Lamar Willis Foundation

Scholarships		82,950.00
NSF fees		448.00
Special events		
tennis	3,727.75	
golf	68,242.26	
dinner	21,716.53	
misc	1,813.99	
		95,500.53
Alisos- replacement chk #556		1,500.00
H. L. Willis, advance 4 pay #544		3,500.00
Off chk to Susan Elliott		2,500.00
Off chk Clear Channel outdoor acct		2,000.00
Law by Design #512		3,600.00
Off chk Miller Hamilton Snider		5,000.00
American Express #563		532.29
Discover Bank #511		948.99
	Total checks from 50	198,479.81



Transfer out of account 70,271.15
Transfer into other
accounts at The Southern
Federal Credit Union.
Classified as debits to
"Loans from Shareholder"
plus debt to "Distributions"

unidentified withdrawals	38,619.59
1/28/3 Henry Lamar Willis	3,400.00 5)
2/5/3 Michael Lascaia	1,600.00 5)
3/31/3 Henry Lamar Willis	5,000.00 5)
4/10/3 100 Black Men of Atlanta	2,100.00 5)
2004 American Express	8,159.18 6)

total cash withdrawals 58,878.77

Total used 327,629.73

S2267

Henry Lamar Willis

Charitable items

Checks and identified withdrawals

high	78,950.00	Scholarship payments and NSF fee associated with scholarship payments
high	4,000.00	cash w/d then paid by official chk
high	68,242.26	Course fees, t-shirts - dealing with golf tournaments and NSF fee
high	21,716.53	Dinner, awards, announcements-dealing with scholarship presentation & NSF
high	3,727.75	Tennis pro - dealing with tennis and related NSF fee
low	5,000.00	Official check to Miller, Hamilton, Snider &
high	1,813.99	Misc.
unknown	4,500.00	Misc.
none	3,500.00	Pay advance for quarterly pay
unknown	948.99	Discover bank
low	3,600.00	law by design, website
none	448.00	NSF fee
unknown	1,500.00	Alisios-replacement chk
unknown	532.29	American Express
	198,479.81	

low	3,400.00	Henry Lamar Willis
low	1,600.00	Michael Lascale
low	5,000.00	Henry Lamar Willis
high	2,100.00	100 Black Men of Atlanta
unknown	8,159.18	2004 payment to American Express
unknown	38,619.59	unidentified cash withdrawals
	58,878.77	

low	37,703.71	excessive loan repayment
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	295,062.29	
	32,567.44	Loan repayment (debt to Loan from Shareholder)
	327,629.73	

high probability of being charitable	180,550.53
low probability of being charitable	56,303.71
no probability of being charitable	3,948.00
unknown probability of being charitable	54,260.05

295,062.29

Probability of being a charitable item is based upon payee and memo on check(exp: check # 614, payee The Atlanta Voice, memo congrats ad)
Also probability based upon being identified on General Ledger (exp: 100 Black Men of Atlanta)

S2268

