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STATE OF MAINE
OFFICE OF THE ATTORNEY GENERAL
6 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0006

August 10, 2006

Dianne Hill, Clerk
MAINE SUPERIOR COURT
York County Courthouse
P.O. Box 160
Alfred, ME 04002-0160

RE: State of Maine v. The Gentle Wind Project, f/k/a The Gentle Wind Retreat, and Mary Miller, Carol Miller, John Miller, Joan Carreiro, Pamela Ranheim and Shelbourne Miller.

Dear Ms. Hill:

Enclosed for the Court's review and approval are a Consent Decree and Order, and a proposed Order Appointing Receiver in resolution of the above-referenced matter.

Thank you for your assistance.

Sincerely,

A handwritten signature in cursive script that reads 'Carolyn A. Silsby'.

CAROLYN A. SILSBY
Assistant Attorney General

CAS/ceh

Enclosures

c: Jerome J. Gamache, Esq.
Mary Miller
Carol Miller
John Miller
Joan Carreiro
Pamela Ranheim
Shelbourne Miller

JURISDICTION

The Court has jurisdiction over the persons of Plaintiff and Defendants and over the subject matter of this action. The Complaint states a claim for relief under 5 M.R.S.A. §§ 194(2), 194-J(2), 194-K(1), 207 and 209; and 13-B M.R.S.A. §§ 1105, 1106 and 1109.

FINDINGS

1. Mary E. Miller and John D. Miller violated 5 M.R.S.A. § 207 by making express and implicit representations on GWP's websites, and in other materials, of the health benefits of using so-called healing instruments manufactured by Defendants, which were not substantiated by objective and reliable scientific evidence at the time the representations were made.

2. Mary E. Miller and John D. Miller violated 5 M.R.S.A. § 207 by making express and implicit representations on GWP's websites, and in other material, that the healing instruments have been objectively scientifically tested and have been scientifically proven to be effective.

3. Carol R. Miller and Pamela Ranheim breached their fiduciary duties as directors of GWP by authorizing the transfer of charitable funds in the form of personal loans to the brother of an officer and board member of GWP, in violation of 13-B M.R.S.A. §§ 717(1) and 721(1)(B).

4. Mary E. Miller breached her fiduciary duty as the president of GWP by failing to establish and follow written criteria and protocol for GWP's

“medical grant program,” and to keep accurate and complete records of the program, in violation of 13-B M.R.S.A. §§ 720(1) and 715(1).

5. Shelbourne Miller breached her fiduciary duty as the treasurer of GWP by failing to correctly book the disbursements for the medical grants in GWP’s accounting software in violation of 13-B M.R.S.A. §§ 715(1) and 720(1).

6. The individual Defendants breached their fiduciary duties as directors or officers of GWP by failing to keep correct and complete books and records, or minutes of the proceedings of GWP’s board meetings, in violation of 13-B M.R.S.A. §§ 717(1) or 720(1), and 715(1).

7. The individual Defendants breached their fiduciary duties as officers or directors of GWP by approving the expenditures of charitable funds for the acquisition and upkeep of real and personal property that was titled in the names of certain individual Defendants, notwithstanding subsequent remedial measures after the commencement of the Attorney General’s investigation.

INJUNCTIONS

1. Pursuant to 5 M.R.S.A. § 209 and M.R.Civ.P. 65, the individual Defendants and their officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with them who receive actual notice of this injunction are hereby permanently enjoined from representing in the State of Maine in any manner, directly or indirectly, in connection with the manufacturing, promotion, packaging, labeling, sale, or

distribution of the healing instruments that there are health benefits to using the healing instruments, and that the healing instruments have been scientifically tested and have proven to be effective including, but not limited to, making statements that:

- a. The healing instruments repair damage to one's energetic or "etheric" structure, which is the cause of emotional and mental stress and pain, resulting in mental and emotional healing that significantly reduces or obviates the need for psychotherapy.
- b. The healing instruments, among other things, solve most of the problems found in humanity, lower blood pressure, reduce the need for anti-anxiety medications, reduce combativeness in Alzheimer's patients, increase one's perceptions of emotional and physical health, cure 50% of alcoholics and drug users of their alcohol- or drug-using habits, enable surgical patients to recover more quickly, cure or significantly reduce chronic or severe pain, reduce seizure activity, cure self-injurious behavior, and enable the wheelchair-bound to walk.
- c. The healing instruments have proven to be effective in hospital settings.
- d. Defendants have tested the healing instruments using blind and double-blind studies on thousands of people in

different types of populations.

- e. Defendants have adhered to the highest research standards in testing the healing instruments.
- f. Defendants' research findings have been duplicated by independent health care professionals.
- g. There is no placebo effect in the performance of the healing instruments.

2. Pursuant to 5 M.R.S.A. § 194-J(2), 13-B M.R.S.A. § 1106, and M.R.Civ.P. 65, the Defendants and their officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with them who receive actual notice of this injunction are hereby permanently enjoined from using, renting, assigning, transferring, converting, or selling any real estate or personal property owned by GWP, or in which GWP has an equitable interest.

3. Pursuant to 5 M.R.S.A. § 194-J and M.R.Civ.P. 65, the individual Defendants and their officers, agents, servants, employees, and attorneys, and those persons in active concert or participation with them who receive actual notice of this injunction are hereby permanently enjoined from:

- a) Serving as officers or board members of, or serving in any advisory function for, any Maine nonprofit corporation.

- b) Using the name of "The Gentle Wind Project," "The Gentle Wind Retreat," "The Gentle Wind School," or any other similar name for any organization that they may form or operate in the State of Maine.

CIVIL PENALTIES

Mary E. Miller and John D. Miller shall be jointly and severally liable for the payment of a civil penalty in the amount of \$20,000 for violations of § 207 of the Unfair Trade Practices Act. Payment shall be remitted to the Attorney General by bank check or money order made payable to "Office of the Attorney General."

COSTS

The individual Defendants shall be jointly and severally liable for the payment of \$30,000 towards the Attorney General's costs of investigation and attorney's fees pursuant to 5 M.R.S.A. § 209. Payment shall be remitted to the Attorney General by bank check or money order made payable to "Treasurer, State of Maine" for deposit to the State's General Fund.

LIQUIDATION AND DISSOLUTION OF GWP

1. It is hereby ORDERED, pursuant to 13-B M.R.S.A. § 1105(2-A)(B) and (C) that the public benefit corporation, The Gentle Wind Project, shall be dissolved as set forth in paragraph 4, herein below. Pursuant to 13-B M.R.S.A. § 1105(4) and by separate order of the Court to be issued concurrently with this Consent Decree and Order, John C. Turner shall be appointed as the liquidating receiver ("receiver") for GWP and shall be

granted such powers and duties as the Court deems necessary to liquidate the affairs of GWP prior to its dissolution.

2. The receiver shall take all necessary steps to wind up the affairs of the corporation. The individual Defendants shall have 30 days from the date that said order is issued to vacate any premises owned by GWP, or in which GWP has an equitable interest. The Defendants, including GWP's board of directors and officers, shall cooperate, in every respect, with the receiver, and shall execute any document that is necessary to effectuate the sale of, and to convey title to, any property located outside the State of Maine to a bona fide buyer as determined by the receiver.

3. After payment of the costs and expenses of the proceedings, including compensation of the receiver and any assistant or attorney that he employs, and all debts, obligations and liabilities of GWP, the receiver shall distribute all remaining assets of GWP to the Attorney General for distribution as set forth herein.

4. Following distribution to the Attorney General, the Court shall enter a decree, pursuant to 13-B M.R.S.A. §§ 1105(2-A)(B) and (C), and 1109, dissolving GWP.

RESTITUTION

From the funds received from the receiver, the Attorney General shall pay restitution to any eligible consumer who purchased a healing instrument from Defendants since 2003. The Attorney General shall publish notice on his website of the restitution funds available and any documents that must

be provided by a consumer applying for restitution. Consumers shall have 6 months from the date that the Attorney General first publishes notice to apply for restitution. After this date, the Attorney General shall pay restitution, on a pro rata basis, to consumers who are determined by him, in his sole discretion, to be eligible to receive it.

Any balance remaining after the restitution has been paid shall be distributed by the Attorney General, at his sole discretion, to a Maine charity whose charitable mission is to assist those with mental health disabilities.

RETENTION OF JURISDICTION

Jurisdiction is retained by this Court for the purpose of enabling any of the parties to apply to the Court at any time for further order and directions as may be necessary or appropriate for the modification, construction, enforcement, or execution of this Consent Decree and Order. Each and every violation of this Consent Decree and Order shall be treated as a separate contempt thereof.

EFFECTIVE DATE

IT IS HEREBY ORDERED that this Consent Decree and Order shall be effective immediately upon entry.

This Order may be incorporated by reference on the court docket.

Dated:

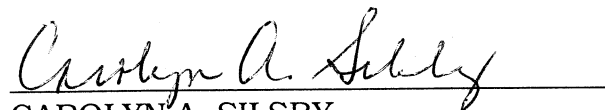
JUSTICE, Maine Superior Court

Dated:

8/09
~~28~~/06

G. STEVEN ROWE


Attorney General



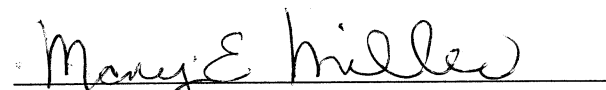
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Attorneys for Plaintiff State of Maine


Dated:


MARYANNE HALE
President, The Gentle Wind Project
Defendant

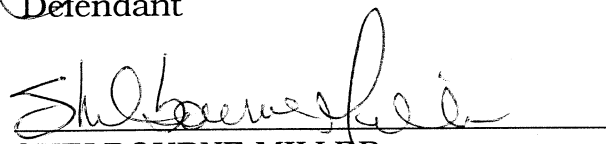
Dated:


MARY E. MILLER
Defendant

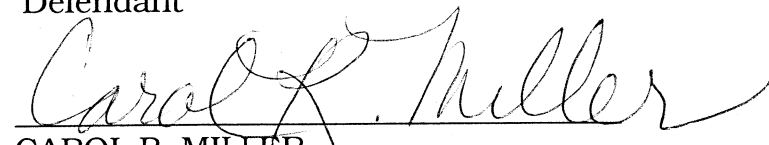
Dated:


JOHN D. MILLER
Defendant

Dated:


SHELBOURNE MILLER
Defendant

Dated:


CAROL R. MILLER
Defendant

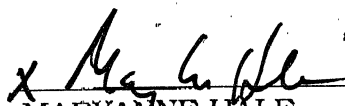
Dated:

Attorney General

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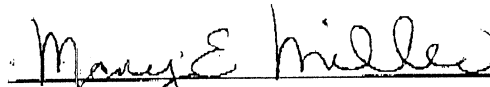
Attorneys for Plaintiff State of Maine

Dated:



MARYANNE HALE
 President, The Gentle Wind Project
 Defendant

Dated:



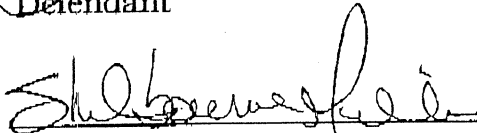
MARY E. MILLER
 Defendant

Dated:



JOHN D. MILLER
 Defendant

Dated:



SHELBOURNE MILLER
 Defendant

Dated:



CAROL R. MILLER
 Defendant

Dated:

Joan Carreiro

JOAN G. CARREIRO
Defendant

Dated:



PAMELA RANHEIM
Defendant

STATE OF MAINE
YORK, SS.

SUPERIOR COURT
CIVIL ACTION
DOCKET NO. ALFSC-CV-06-00221

STATE OF MAINE and)
ATTORNEY GENERAL,)
)
Plaintiffs)
)
v.)
)
THE GENTLE WIND PROJECT,)
f/k/a THE GENTLE WIND)
RETREAT,)
)
and)
)
MARY E. MILLER, CAROL R.)
MILLER, JOHN D. MILLER,)
JOAN G. CARREIRO, PAMELA)
RANHEIM, and SHELBOURNE)
MILLER,)
)
Defendants)

ORDER
APPOINTING RECEIVER

In accordance with the Consent Decree and Order of even date, it is hereby ORDERED that, pursuant to 13-B M.R.S.A. § 1106, John C. Turner of Auburn, County of Androscoggin, State of Maine is appointed as Receiver of the real and personal property, both tangible and intangible, (collectively, “the Property”) owned by the charitable organization, The Gentle Wind Project, f/k/a The Gentle Wind Retreat (“GWP”). Upon the taking and filing of an oath to perform his duties as Receiver faithfully, John C. Turner shall commence liquidating the Property in preparation for GWP’s dissolution. No bond or surety shall be required of him in this capacity.

1. The Receiver is authorized to take possession and control of the Property, and to exclude the Defendants, and any person acting on their behalf, from taking or retaining possession and control of such Property subject, however, to Paragraph 2 under "Liquidation and Dissolution of GWP" contained in the Consent Decree and Order.

2. The Receiver is authorized to liquidate and convert the Property into money by selling, conveying, and disposing of it, either at public or private sale, on terms and in the manner the Receiver deems most beneficial to the receivership estate, and with due regard to the realization of its true and proper value.

3. The Receiver may require the Defendants, and any persons acting on their behalf, to provide him with any and all information which the Receiver needs to carry out the duties of the office.

4. The Receiver has the sole and exclusive rights, powers and obligations of all officers and directors of GWP under Maine's Nonprofit Corporation Act, 13-B M.R.S.A. §§ 101-1406. No risk or obligation incurred by the Receiver in administering GWP shall be a risk or obligation of the receivership estate. The Receiver need not obtain any insurance in connection with the operation or dissolution of GWP.

5. The Receiver is empowered to establish bank accounts for the deposit of monies and funds collected and received in connection with the receivership estate, at federally insured banking institutions or savings associations. To the extent practicable, monies coming into the Receiver's