Understanding the Dietrich Charitable Deduction Investment Scheme

Geoffrey Dietrich, by and through his affiliated companies, of which there are many, is selling an illegitimate and illegal tax scheme to thousands of investors, resulting in massive tax evasion and SEC violations. He induces investors, charities, and IP owners to collaborate with him and his affiliates, to implement his "tax mitigation strategy" for charitable donations that falsely 'generate' enormous deductions to investors (up to 20 times the value of the donated goods). The facts of the scheme are so outrageous that they are even the subject of a civil lawsuit available for public inspection.[1] Notably, in a recent court filing,[2] a company that was approached by Mr. Dietrich to participate in the scheme stated the following:

> [We] refused to participate in the Dietrich Entities' scheme to defraud investors, the IRS, and the American taxpayers….
>
> [Mr. Dietrich's] investment offerings resulted in the submission of fraudulent tax returns by the holding companies, the recipient charities, and the investors….
>
> [Dietrich] induces investors by falsely claiming their scheme [is] legitimate under IRS rules and applicable law, even though it was clearly not….
>
> For years, the Dietrich Entities have managed to avoid scrutiny of their apparently deceptive strategies, and enrich themselves enormously, without major consequence from the IRS.

The Dietrich entities represent to unsuspecting investors and business partners that this "strategy" is entirely legitimate and legal, based on a legal opinion letter that is written by a tax attorney whose family is also part of the scheme.

The economics of the investment structure are grossly imbalanced, generating deductions that are disproportionate and untethered to the value of the donated property—and even more imbalanced when it comes to the profits made by Mr. Dietrich's entities—far beyond what the IRS would ever accept.

One such scheme is his Hear2There tax investment scheme. This is presented as an opportunity for investors to acquire intangible property at a purported below-market value, which is then donated to a charity, generating a significant charitable tax deduction. The core appeal of this program lies in the promise of a substantial return on investment through tax savings. The concept involves the pre-arranged acquisition of purportedly valuable assets at a 'discounted' price, followed by their donation to a charitable organization at a grossly inflated

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[1] *Solidaris Capital, LLC et al vs. Head Genetics, Inc. et al*, Cause No. DC-24-21484 (134th D.C., Dallas County, Dec. 10, 2024).

[2] *Solidaris Capital, LLC et al vs. Head Genetics, Inc. et al*, Def. First Amended Countercl., filed May 12, 2025, in the 134th Judicial District Court, Dallas County, Case No. DC 24-21484.

price, thereby generating a substantial tax deduction on the built-in gain via a charitable deduction.

However, the entire investment is a pre-arranged scheme by which the Promoter, Geoffrey Dietrich, enriches himself and his affiliates by retaining over 65% of all amounts raised, facilitates the filing of thousands of fraudulent tax returns by Americans, and causes American taxpayers to illegitimately claim billions of dollars of imaginary charitable tax deductions.

As documented in various lawsuits and related legal challenges, this scam is easily verifiable and offends the conscience. And yet, there is apparently no IRS or SEC action investigating the insidious action of this individual or his conglomerate of tax evasion programs.

The Hear2There Investment Scheme is just one of many ‘investments’ that Geoffrey Dietrich has constructed. He is a tax shelter guru. He makes millions of dollars selling lies and cheating the American public. He and his affiliates have created a cottage industry selling artificial tax deductions and enriching himself in the process. Betting on the inability or inaction of the IRS and SEC to challenge his unsupportable and clearly manipulated valuations, he is virtually spitting in the face of the American taxpayer.

To illustrate this scheme, the Hear2There investment is described below. Keep in mind that this is just one of the many almost identical ‘investments’ that Mr. Dietrich and his associates are selling to the public.

The Structure

The Hear2There investment typically operates through a series of Investor Limited Liability Companies (Investor LLCs), often named "Hear2There Connection (I-XXV & A-O), LLC" or similar variations. These Investor LLCs serve as the investment vehicles through which accredited investors purchase membership interests. The use of multiple, similarly named LLCs can complicate tracking and oversight, intentionally obscuring the full scope of the operation.[3]

Geoffrey Dietrich, individually or through a series of pass-through entities, holds the controlling interest of many of these Investor LLCs, indicating his central role in the operation of these schemes. His involvement in hundreds, if not thousands, of these tax schemes suggests a systematic and highly organized approach to structuring and promoting these investments. Notably, Geoffrey Dietrich and his affiliated companies are parties to multiple lawsuits involving this and similar schemes, pursuant to which his malfeasance over the years is highlighted.

By definition, this entire Investment ‘product’ works only because it is a pre-arranged program with various owners of IP (generally software licenses), that are not publicly held companies. This IP is almost always a software license that does not have a large retail market, can be authorized for an unlimited number of times, which makes it an easy item to manipulate from an appraisal perspective, with the ‘right’ appraiser. To entice investors, Dietrich touts reliance

[3] These investment programs generally utilize an entity called a Series LLC.

on a legal/tax opinion letter that was authored by an attorney whose family actively participates in the scheme.

<u>How It Works</u>:

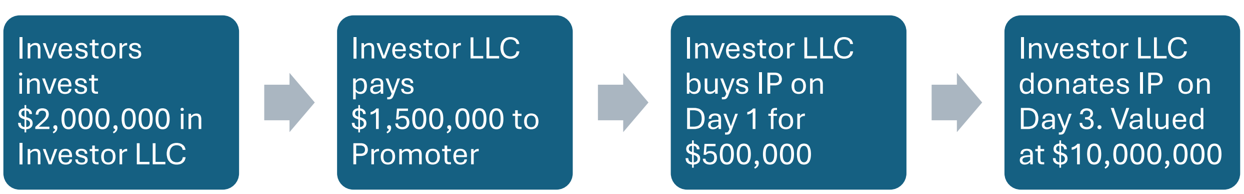
Promoter is an entity owned by or controlled by Geoffrey Dietrich. The appraiser is Lawrie Hollingsworth, Asset Technologies, Inc., a solo practitioner, who is hand-picked by Dietrich.

Promoter approaches IP Seller. IP Seller has IP that is not well known and has not sold well. In some cases, IP Seller is related to Promoter or his affiliates.[4] Promoter tells IP Seller that they will arrange to have an entity pay millions of dollars for a bulk purchase of IP licenses at a price at least 94% less than 'retail', as long as IP Seller agrees not to sell any IP to anyone else for less than retail for at least 5 years. IP Seller agrees because (1) IP Seller was not really selling much IP at all, and (2) the IP is merely a license that costs IP Seller practically nothing to issue. Promoter then instructs IP Seller how the structure will work and guides all of the parties through the entire process.

As directed by the Promoter, IP Seller puts IP licenses into IP Seller LLC. Promoter identifies a charity to accept the IP licenses. Promoter chooses appraiser to value the IP once it is donated and instructs the IP Seller on the drafting and editing of the appraiser's scope of work, including the facts and subjects the valuation opinion should cover. The appraiser is always the same person, a solo practitioner, Lawrie Hollingsworth.

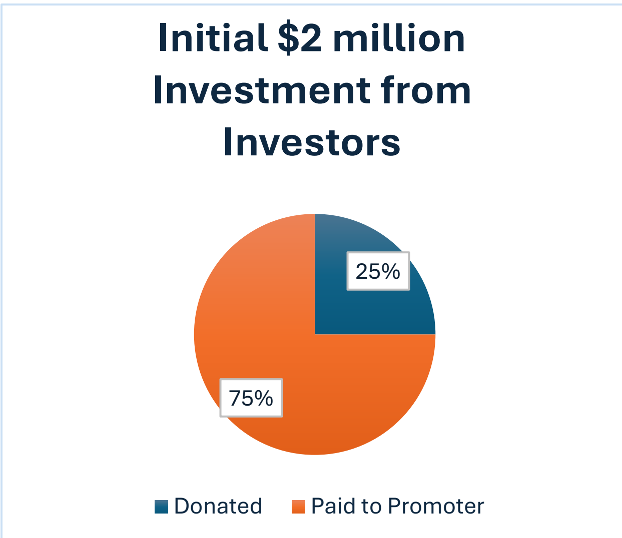
Promoter sets up an Investor LLC and retains "founders rights" in the Investor LLC. Promoter solicits investments in Investor LLC. Individuals invest $2 million in Investor LLC. Then, Investor LLC buys IP from IP Seller LLC for $500,000, the pre-arranged discounted price. The remaining $1.5 million is used to cover minimal third-party costs and the balance goes to Promoter and his affiliates. Specifically, the Promoter retains approximately $1.3 million of this amount. Investor LLC donates the IP to the charity 3 days after its purchase from IP Seller. Appraiser values the IP as of the date of donation at $10 million, ***a valuation of 20 times the price paid by Investor LLC (20 * $500,000 purchase price= $10,000,000)***.

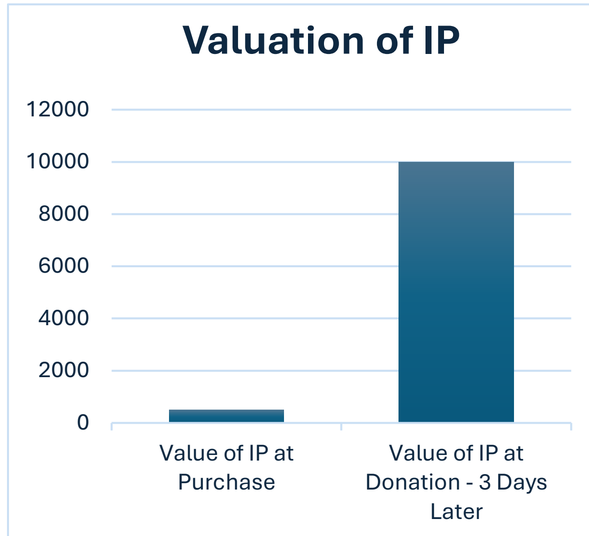
<u>RESULT</u>: The individual investors of the Investor LLC get a $10 million tax deduction for the $2 million investment. ***This is a return of 5x their actual investment.*** Promoter gets roughly $1.3 million of the $2 million investment. IP Seller gets $500,000. Charity gets $500,000 worth of donated IP, which may or may not be worth more than a de minimis amount to the charity.



[4] For example, in Color4Kids, IP Seller is the father of the tax opinion writer.

Then, because the demand for these tax schemes is so high, the Promoter does it all again, with the same players, slightly different names. In some cases, up to 300 times, or more than $550 million of investments in 2024. And a cumulative fraudulent charitable tax deduction of up to $2.75 billion ($550 million * 5x) is claimed by the Investors, as directed by the Promoter.





What is the problem? This is tax fraud, securities fraud, and harms the public.

Why? The Promoter is causing the investors to claim grossly inflated charitable deductions and file false tax returns, and is colluding with the parties to manipulate the market and create fraudulent valuations. The Promoter is unjustly enriching himself and his affiliates while utilizing the charitable contribution deduction provisions of the Internal Revenue Code in an illegitimate and unconscionable manner.

The appraisal of the donated assets within the scheme is a critical component, as it directly impacts the size of the charitable tax deduction claimed by investors. While specific details on the appraisal methodology are not publicly available, for obvious reasons, each IP valuation is appraised by the exact same appraiser. The appraisal firm is a one-person shop as no legitimate appraisal firm would provide such outrageous valuations.

Because these programs involve intangible property (which can be less straightforward to value than, say, publicly traded stocks), these appraisals are highly susceptible to manipulation. That is exactly why Dietrich uses IP, an intangible asset, as the asset to be donated to generate the charitable deduction. It is also why Dietrich uses the same appraiser for all of his schemes - a solo practitioner operating in a vacuum, without oversight or any checks and balances on her business practices.

According to the very nature of the investment program, the ultimate valuation is influenced by selective comparable sales, unsupportable projections, and a lack of truly independent analysis. In fact, the Dietrich Entities ensure the highly inflated valuation by requiring the IP Seller to enter into an agreement not to sell the IP for less than “retail amount” to anyone else as long as the contract is in place with the Dietrich Entities. This is clear evidence of valuation manipulation. Dietrich is effectively creating an artificial market and price upon which he instructs the appraiser to base their charitable donation valuation. High valuations are crucial for generating the large tax deductions that attract investors. The appraisal process overseen by Dietrich for each entity aims to justify a significantly inflated valuation of the assets compared to the initial acquisition cost. This inflation is the mechanism through which investors are purportedly able to achieve a "20 times increase in the valuation" that is effectively guaranteed in video presentations to potential investors, despite SEC filings stating that "we do not pre-appraise products for Investors or transactions prior to donation." That statement, however, is patently false. The entire scheme is predicated on the significantly inflated valuation of the IP assets compared to the initial acquisition cost. There is a tacit agreement between Dietrich and the appraiser to value the IP at a certain price in order for the investment scheme to work.

Why Should We Care?

- The individual investors are claiming artificially inflated charitable contributions, thereby claiming indefensible charitable tax deductions.

- The investment requires individual investors, holding companies, and charitable entities to **submit fraudulent tax returns** to the IRS based on the inflated charitable contribution valuation.
    - For example, as part of its independent review provided by a third party, the parties currently suing Dietrich learned that these transactions relied on an unreasonable and fanciful reading of the Internal Revenue Code, and that investment offerings resulted in the submission of fraudulent tax returns by holding companies, recipient charities, and the investors. [5]

- The SEC forms filed, and the investor representations made, are false and misleading, resulting in harm to investors.[6]

- The Promoter directs employees to alter documentation submitted by investors in violation of counterterrorism and anti-money laundering regulations.[7]

- The Promoter is engaging in self-dealing and making blatant misstatements in his securities disclosures by way of a “Intellectual Property License Fee”.[8]

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[5] *See Solidaris Capital, LLC et al vs. Head Genetics, Inc. et al*, Def. First Amended Countercl., filed May 12, 2025, in the 134th Judicial District Court, Dallas County, Case No. DC 24-21484, paragraphs 74 - 78.
[6] *Id*.
[7] *Id*. at paragraph 79.
[8] *Id*. at paragraphs 75-76.

- The Promoter, personally, through his entities and affiliates, is effectively utilizing these structures to siphon money to himself; money that should be going to promote charitable causes and satisfy the tax liability of individual investors.

Proliferation of Similar Investment Schemes

In 2023, these Dietrich Entity Investment LLC entities raised $200 million, of which, $50 million was paid to the owners of the IP for the software license. Almost 65% of the $200 million went directly to the entities owned by Geoffrey Dietrich and his affiliates (only a de minimis amount was paid to outside vendors and service providers). However, this $200 million investment generated a purported $1 billion of bogus charitable tax deductions for the individual investors. In 2024, the numbers were even larger: $550 million of investments from individual investors, $137.5 million to the owners of the IP, more than $400 million to Geoffrey Dietrich and his affiliates, all while generating $2.75 billion in bogus charitable deductions for individual investors. In 2025, the numbers are even more staggering. In addition, as highlighted by the lawsuit attached, other promoters are starting similar programs, perpetuating this type of scheme.

Promoter is even hosting conferences offering financial advisors and tax preparers all-expense paid trips to learn about this scheme. To sweeten the deal, Promoter pays referral fees of up to 8% for every dollar that is invested in the scheme.

How to Stop it?

The IRS must act immediately. Established in 2021, the IRS Office of Promoter Investigations coordinates the IRS's response to promoters of abusive tax schemes, including those involving charitable contributions. Their work involves designing and managing activities to detect and deter such schemes. They must work quickly. This is a transaction that is harming the public and should be placed immediately on the IRS Dirty Dozen List.

IRS Valuation Audit

The Internal Revenue Service (IRS) is responsible for scrutinizing charitable contributions, particularly those involving non-cash assets, for inflated valuations. The Internal Revenue Code requires that the fair market value of donated property be determined by a qualified appraisal conducted by a qualified appraiser. If the IRS determines that the valuation of the charitable assets is excessive, it can disallow all or part of the claimed deduction. This can lead to significant back taxes, penalties, and interest for investors. The "wink wink, nod nod" mechanics of the program, where a 5x valuation increase is effectively guaranteed, strongly suggests a pre-arranged outcome that the IRS would likely view as an aggressive and abusive tax shelter. The difference between the purported fair market value and what the IRS determines to be the true fair market value could be subject to a 20% accuracy-related penalty, and in cases of gross overvaluation (where the claimed value is 200% or more of the correct value), the penalty can increase to 40%.

An inquiry by the IRS as to the valuation methodology used for these hundreds, if not thousands of investment schemes promoted by the Dietrich Entities would be a simple and quick first step to put an end to this abusive investment scheme.

The IRS can and frequently does challenge the valuation of intangible property in the context of a charitable contribution deduction, and they should be particularly alert to situations that suggest market manipulation. Some taxpayers may play the "audit lottery," claiming excessive charitable deductions in the hope that their return won't be selected for scrutiny, and it appears that Dietrich is encouraging his investors to utilize this approach.

The IRS is well aware that inflated valuations of donated property have been exploited by tax shelter promoters. They have special audit programs to combat charitable contribution tax shelters, such as the Conservation Easements. These special audit programs can easily be used to challenge the Dietrich investment scheme.

How the IRS Challenges Valuations and Asserts Market Manipulation

The IRS needs to scrutinize the Appraisal Report used in the Dietrich investment schemes by reviewing the qualification of the appraiser, and the specific content, methodology, and adherence to professional standards (like USPAP). The IRS's own operating procedures require that it demand all supporting documentation, including financial statements (historical and projected), contracts, market research, and any other data used by the appraiser. This must include the exclusive agreement between the IP Seller and Dietrich regarding the obligation not to sell to anyone other than the Dietrich entities for the period of the contract between the parties.

The IRS must also look for evidence that the reported fair market value was derived from sales in a market that was "artificially supported or stimulated so as not to be truly representative." For this scheme, the factors include:

- Non-Arm's Length Transactions: Transactions between related parties, rather than between a willing buyer and willing seller in an open market.
- "Flipping" Schemes: Where a taxpayer acquires an intangible asset at a low price and then donates it shortly thereafter at a significantly inflated value. The IRS will look at the acquisition price and the timing of the donation.
- Promoter Involvement: If there's evidence of promoters encouraging taxpayers to buy assets at a "discounted" price with the promise of large charitable deductions, this is a major red flag.
- Lack of Commercial Viability/Use: If the intangible asset has little or no proven commercial use or potential for generating income outside of the charitable contribution context, it suggests an inflated valuation.
- Over-reliance on Speculative Future Events: The IRS emphasizes that valuations should be based on facts known at the time of the gift, and those that could *reasonably* be expected. Relying on highly speculative or unlikely future events to justify a high valuation can be seen as manipulative.
- Inconsistent Valuations: If the same or similar intangible property has been valued differently in other contexts (e.g., for financial reporting, other tax purposes), the IRS will question the discrepancy.

Almost all of the above factors are present in the Dietrich scheme. Based on the existence of all of these factors, the IRS could easily challenge the valuation upon which these tax deductions are claimed.

IRS Expertise and Resources
The IRS employs its own valuation specialists and economists who are well-versed in complex valuation methodologies, including those for intangible assets. They can challenge an appraiser's assumptions, data, and conclusions. They have access to databases and market information to cross-reference reported values.

Penalties. If the IRS determines that a valuation was substantially overstated, in addition to denying the overstated charitable deductions, they can impose significant penalties (e.g., 20% for a "substantial valuation misstatement" and 40% for a "gross valuation misstatement"). Once the IRS conducts a review of these programs, they will undoubtedly determine that the appraiser's conclusions were flawed, resulting in a gross valuation misstatement.

IRS Criminal Investigative Authority

The Internal Revenue Service, Criminal Investigation (IRS-CI) is the federal agency responsible for investigating tax crimes in the United States. As such, IRS-CI will need to assert its authority with respect to this investigation in order to ensure that any criminal activity is appropriately identified and curtailed. Specifically, IRS-CI will be able to investigate violations of various criminal provisions of the Internal Revenue Code, including 26 USC § 7201, Attempt to Evade or Defeat Tax, 26 USC § 7203, Willful Failure to File Return, Supply Information or Pay Tax, 26 USC § 7206, Fraud and False Statements, and conspiracy to violate those provisions, as well as any other tax crimes it may uncover.

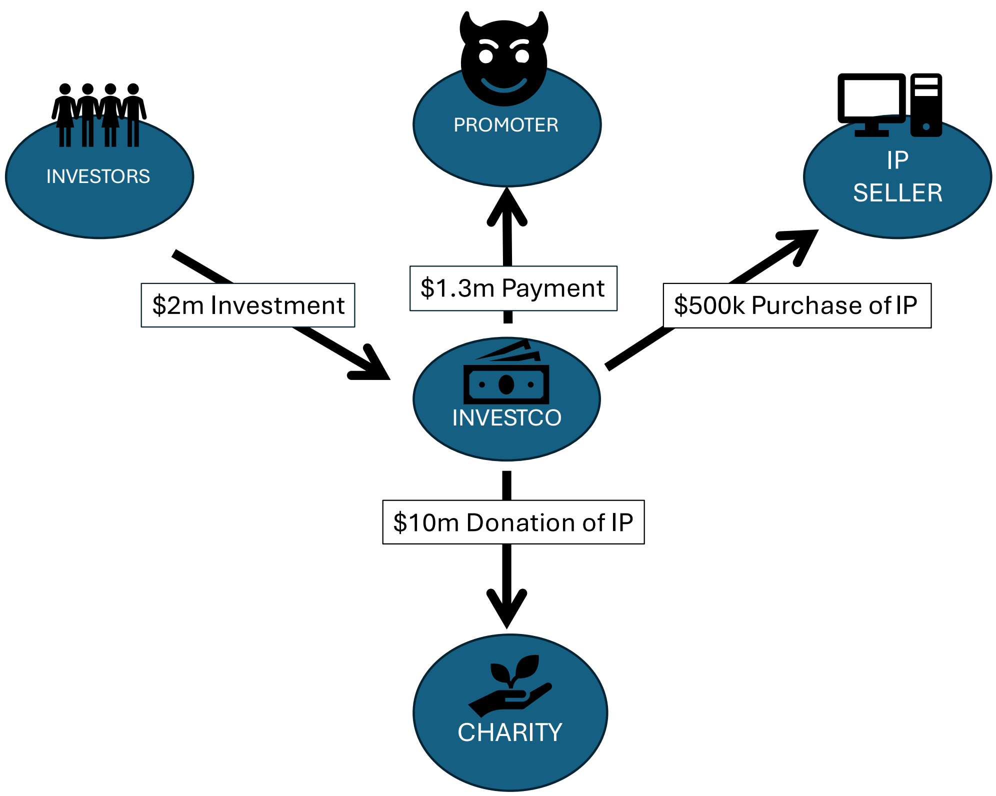
SEC Audit/Inquiry

The Securities and Exchange Commission (SEC) has a mandate to protect investors from fraud and manipulation in the securities markets. The Hear2There scheme, as an investment vehicle offering membership interests, falls under the purview of securities law. The most significant SEC and securities risks involve fraudulent misrepresentation and conflicts of interest. The statement of fact in the SEC filings that "we do not pre-appraise products for Investors or transactions prior to donation," directly contradict video presentations and emails effectively guaranteeing investors a five-fold increase in valuation, and constitutes a material misrepresentation. Such a contradiction suggests an intent to mislead investors about the true nature of the investment and the certainty of the projected tax benefits. This should expose the promoters and the entities involved to SEC enforcement actions for violations of anti-fraud provisions of federal securities laws, such as Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder.

The explicit disclosure in the PPM about non-arm's length compensation for Geoffrey Dietrich and other affiliates highlights a clear conflict of interest. When compensation is not determined by arm's length negotiations, it implies that the interests of the promoters and managers may be prioritized over those of the investors and the "charitable mission." This conflict, combined with the pre-arranged and "wink wink, nod nod" mechanics of the program, including the predetermined valuation increase, could be interpreted by the SEC as a breach of fiduciary duty and a fraudulent scheme designed to enrich the promoters at the expense of investors, who are primarily seeking tax benefits based on artificially inflated asset values. Investors in such a scheme could also have private causes of action against the promoters for securities fraud, seeking rescission of their investment or damages.

CONCLUSION

Geoffrey Dietrich and his affiliates are utilizing the US tax system as their own personal trough – feasting on ill-gotten investments from US taxpayers and bastardizing the charitable contribution deduction mechanism. The government needs to act immediately to curb this behavior and put an end to the manipulation and abuse of our laws and public trust. If left unchecked, such schemes risk encouraging further manipulation and abuse, ultimately undermining investor confidence and diminishing the value and intent of legitimate philanthropy – not to mention draining the public coffers at a time of unprecedented, and mounting, federal deficits.



Executive Summary – The Solidaris Charitable Structure

In the growing world of tax-advantaged charitable offerings, few promoters have had as massive an impact — or generated as much controversy — as Geoff Dietrich and his firm Solidaris. Since 2022, Solidaris has raised more than $786 million in cash across a small network of closely affiliated partnerships and Series LLCs. These funds, when coupled with the promised 5x write-off offered to investors, generated over $2.1 billion in total charitable tax deductions from 2022 to 2025.

On paper, these offerings promised a streamlined structure: investors contribute capital to a specific Series LLC, which then licenses or purchases intellectual property (IP), typically from an affiliate of Solidaris, before "donating" that asset to a 501(c)(3) charity. In theory, it was a structured pathway to unlocking massive tax deductions while supporting charitable causes.

In reality, the structure unraveled under scrutiny.

Across three years of offerings — Novaderm in 2022, Hear2There and SecureTomorrow/Colors4Kids in 2023–2024 — and new unnamed programs in 2025, Solidaris operated under nearly identical patterns:

- 75% of raised funds were absorbed by expenses before anything reached a charity.
- Of that, 65% went directly to Solidaris or entities Geoff Dietrich controls.
- Charities involved often did not report receiving the donations.
- Form 8283s were riddled with conflicting valuations, missing information, or fabricated details.
- IRS-required disclosures and SEC offering rules were often sidestepped, if not outright violated.

Now, as Geoff Dietrich faces public scrutiny and legal challenges — including lawsuits filed in Dallas and ongoing investigations — he has turned to aggressive litigation and PR campaigns targeting those who oppose or outshine his business model. A whistleblower complaint has already been filed, and Bloomberg is currently investigating for an exposé on the magnitude and nature of these activities.

This report outlines the inner workings of the Solidaris structure, the flow of funds, and the deeply flawed tax treatment — and how it starkly contrasts with compliant charitable offerings in the market.

Year-by-Year Breakdown of Fundraising and Claimed Deductions

This chapter outlines the scale, structure, and financial evolution of the charitable offerings managed or orchestrated by Solidaris, its managing partner Geoff Dietrich, and affiliated entities between 2022 and 2025. It breaks down the dollar amounts raised, claimed charitable deductions, and how these structures evolved in sophistication over time while maintaining the same flawed core: massive investor tax deductions funded by large fees routed through affiliated parties.

2022: The Novaderm Campaign — $60M Raised / $300M Claimed Deductions

- **Entity Involved:** Novaderm Solutions LLC (operated under Solidaris' management).
- **Product Donated:** A topical skin treatment product (**non-FDA approved**).
- **Valuation Model:** 5x multiple on donation deduction vs. investor capital contribution.
- **Total Raised from Investors:** $60 million.
- **Claimed Charitable Deduction:** $300 million.

Major Compliance Issues:

- The Novaderm product was not FDA-approved, making it non-distributable through legitimate charitable health care channels.
- Donation acknowledgments by charities were inconsistent, and many 8283s lacked substantiation or were never returned signed.
- Expense ratios exceeded 70%, with over 60% routed to Solidaris or affiliates controlled by Dietrich as commissions, license fees, or “consulting.”

2023: Hear2There and Novaderm Combined — $120M Raised / $600M Claimed Deductions

- **Entities Involved:** Hear2There, Novaderm LLCs (multiple series offerings).
- **Products Donated:** A hearing screening app (mobile-based, minimal clinical value) and remaining Novaderm inventory.

- **Valuation Method:** Appraisals from preferred vendors showing **5x valuation** to support $600M in claimed deductions.
- **Total Raised from Investors:** $120 million.

Escalating Red Flags:

- The charitable purpose of Hear2There's mobile hearing tests was questionable.
- IRS Form 8283s showed inflated FMV, inconsistent basis reporting, and use of tax-exempt income to mask basis errors.
- Charity letters lacked contemporaneous detail or were boilerplate — often reused across different product donations.

2024: SecureTomorrow, Colors4Kids, Hear2There — $186M Raised / $930M in Claimed Deductions

- **Entities Involved:** Solidaris-managed Series LLCs: SecureTomorrow, Colors4Kids, Hear2There.
- **Assets Donated:**
  - *SecureTomorrow:* AI-generated educational content via Clarion Project licensing.
  - *Colors4Kids:* Digital coloring book downloads.
  - *Hear2There:* Audio content and hearing tests.
- **Valuation Method:** Fixed 5x multiplier, even for low-market value digital assets.
- **Total Raised from Investors:** $186 million.
- **Total Claimed in Deductions:** $930 million.

Major Failures in Reporting and Substantiation:

- **Multiple 8283 forms filed for same offerings:**
  - Some unsigned.
  - Some showing 20x FMV ($10M for $500K Series cost).
  - One form claimed "IP created by the LLC", despite the LLC's governing docs not authorizing IP creation or ownership.

- No IRS Form 990 correspondence from the recipient charities confirming donations.
- K-1s did not report expenses (though the PPMs allocated up to 75% to fees).
- Tax-exempt income was artificially injected into Box 18 to preserve investor basis, in violation of IRC §705.

2025 (Ongoing): Same Structure Repeated — $420M Raised / $2.1B Claimed Deductions

- **Entities/Programs Marketed:** Largely mirror 2024 programs.
- **Targeted Fundraising:** $420 million in investor capital already reported by Solidaris to financing parties (e.g., Access Capital).
- **Valuation Model:** Still 5x — implying $2.1 billion in deductions.
- **Asset Type:** Remains vague — variations on licenses, digital content, or health-adjacent materials.

Concerns Escalate:

- No substantive changes to structure despite public scrutiny, charity nonreporting, and apparent whistleblower filings.
- IRS and SEC risk exposure continues to rise.
- Charity nonreporting and substantiation gaps persist, yet Solidaris has now engaged high-profile PR and legal teams to publicly discredit alternative structures and critics.

Reputation Management Through Defamation and Lawsuit Manipulation

Coordinated Defamation via Lawsuit Exploitation

In parallel with the aggressive expansion of questionable charitable structures, Geoff Dietrich and Solidaris appear to have weaponized litigation and media to discredit critics and competitors. Central to this tactic is a lawsuit filed in Dallas, which Dietrich has repeatedly cited or referenced — not for its legal merits, but to seed and justify a coordinated defamation campaign.

Instead of allowing the courts to deliberate on the case, Dietrich and his media associates have used the mere existence of the suit to generate a flood of misleading, accusatory, and sensationalistic articles on low-integrity publishing platforms. These articles mischaracterize the nature of the claims, often presenting allegations as proven facts, and intentionally omit the existence of a formal counter-complaint filed in response.

Weaponized Publishing

The articles are typically:

- Published through pay-for-placement newswire services and ghost-operated publishing sites with no editorial oversight.
- Promoted using public relations firms hired in 2024–2025, shortly after whistleblower complaints and inquiries from major financial outlets including Bloomberg.
- Written in language that implies criminal or fraudulent behavior by competitors — despite no formal findings or actions from regulators or courts.

Ongoing Legal Strategy

The complaint and counter-complaint (now formally filed in Dallas County District Court) reveal a different story:

- The original complaint relies heavily on speculative harm and lacks key substantiation.
- The counter-complaint rebuts the allegations and includes sworn statements and financial documentation alleging that Solidaris and Geoff Dietrich used the litigation as a platform for reputation laundering and investor deflection during an IRS whistleblower review.

Impact on Industry and Charities

This strategy has caused significant reputational harm to:

- Donor-facing platforms seeking IRS-compliant charitable delivery systems.
- Charities previously affiliated with Solidaris structures, many of whom have not acknowledged donations on their 990s.
- Emerging compliance-driven competitors, some of whom have received threats of litigation or defamatory press shortly after entering the space.

Note: The lawsuit and counter-complaint are now part of formal court filings and will be included in the Exhibits section of this report for evidentiary reference.

The Novaderm and Hear2There Donation Schemes

The Novaderm Campaign: 2022 and 2023

In 2022, Solidaris, led by Geoff Dietrich, promoted Novaderm — a non-FDA-approved skin product — as a high-value charitable donation asset. That year, they raised approximately $60 million in capital, which, through a 5x FMV multiplier, translated into $300 million in claimed charitable deductions across investor returns.

The product, however, suffered from serious regulatory and functional challenges:

- FDA Status: Novaderm was not classified or approved as a medical device or therapeutic, making its donation highly questionable under IRS valuation and exempt purpose rules.
- Charity Use Restrictions: Because the product was not approved for medical use, most charities could not legally or ethically distribute it — and many ultimately declined to report the donations on their IRS Form 990s.
- Storage and Expiration Issues: Novaderm also carried a short shelf life and required climate-controlled storage, increasing costs and reducing actual utility for charitable recipients.

Despite this, Solidaris deducted over $1.5 million per $2 million raised for so-called licensing, packaging, and marketing fees. Investigators and whistleblowers allege that over 65% of the funds went to Solidaris or its affiliates, all tied to Geoff Dietrich — an amount that grossly outweighs standard broker or placement fees for charitable offerings.

In 2023, Solidaris expanded the same strategy to include both Novaderm and a new product, Hear2There — a basic hearing aid device with questionable FMV support and, again, no FDA classification as a medical device. The fundraising topped $120 million, with a reported $600 million in charitable deduction claims.

2024: Peak Exposure and Silent Failures

In 2024, Solidaris ran the same fundraising structures through three major offerings:

- Hear2There (again)
- SecureTomorrow
- Colors4Kids

These entities together raised $186 million, translating — again, at a 5x claimed FMV — into $930 million in charitable deductions.

Alarmingly:

- Many recipient charities never reported these donations on their 990s, raising serious questions about delivery, asset usability, and fraudulent non-cash donation reporting.
- The Forms 8283 submitted with investor returns frequently conflicted with K-1s, lacked required signatures from the donee or appraiser, and often misrepresented the nature or source of the donated property.
- Solidaris-controlled entities retained the vast majority of proceeds once again, and no external audit trail was available confirming the distribution or tracking of donated assets.

2025: Topping $2.1 Billion in Claimed Deductions

By early 2025, Solidaris had replicated the structure yet again and began telling Access Capital and other financial institutions that $420 million had already been raised that year. Given the ongoing 5x multiplier, this implies an additional $2.1 billion in projected charitable deductions.

These offers remain under scrutiny due to:

- The recycled use of FMV justifications without fresh appraisals.
- Identical or near-identical PPMs to prior years despite new product claims.
- Continuing trends of non-disclosure by recipient charities, likely due to receipt of assets that were never usable or deliverable in practice.

Chapter 5: Breakdown of Charitable Failures and Audit Red Flags

Charities Did Not Report the Donations

A core foundation of charitable donation tax deductions is that the donee organization must acknowledge receipt, and the donation must serve a qualified exempt purpose under §170(c) of the Internal Revenue Code.

In the Solidaris-led offerings of 2024 (SecureTomorrow, Colors4Kids, Hear2There), multiple recipient charities failed to report the donations on their IRS Form 990 filings. This is not a clerical oversight — it is a major red flag:

- **Possibility #1**: The donation was never delivered, or the charity could not use the donated property, making the claimed FMV moot.

- **Possibility #2**: The charity knowingly accepted assets it could not legally or practically deploy, thus endangering its exempt status and triggering IRS scrutiny.
- **Possibility #3**: A manufactured donation existed only “on paper” for the purpose of inflating tax deductions, constituting a **fictitious charitable contribution**.

Each possibility independently undermines the integrity of the deduction and creates material risk for investors, GPs, and the charities themselves.

Multiple Flawed 8283 Forms Filed

The IRS Form 8283 is a mandatory substantiation form for non-cash charitable contributions above $5,000, and it must meet several requirements to be valid:

1. **Appraiser signature (Part IV)**
2. **Donee acknowledgment (Part V)**
3. **Clear description of the donated property**
4. **Stated basis and claimed FMV**

For Colors4Kids and SecureTomorrow, *three* different 8283s have emerged per investor:

- One is unsigned, but lists a $10 million value (20x the $500K investment).
- Another claims the LLC created intellectual property — a false statement, as neither the PPM nor any operations support that assertion.
- The only form signed by the charity and appraiser has no FMV or basis listed, making it legally invalid for substantiation under IRS rules.

This confusion and contradiction violates multiple IRS substantiation regulations:

- **§170(f)(11)** – Requires a “qualified appraisal” and “adequate records.”
- **§1.170A-13(c)** – Requires disclosure of adjusted basis and a complete property description.
- **Rev. Proc. 2006-50** – Governs the reporting format and reliability standards of 8283 forms.

In contrast, the CAP/CRP offering produced a **single, consistent, signed 8283** per donor, with matching basis and FMV values aligned to the K-1 and appraisal — a benchmark of compliance.

Circular Compensation and Misuse of Funds

From investor contributions, 75% of proceeds in the Solidaris-led offerings were paid out as expenses, primarily routed back to Solidaris or affiliated entities. Each $2 million raised in Colors4Kids and SecureTomorrow was allocated as follows:

- **$1.5 million in "licensing and fees"**, largely paid to Solidaris, which itself created and controlled the rights to the underlying IP.
- **$500,000 in cost of goods or services** — though many of these "goods" were digital downloads or IP rights, which have little to no direct production cost.

No funds were set aside for audit reserves, no independent administrators oversaw disbursement, and no GP capital was at risk.

This violates SEC disclosure principles under Regulation D, specifically:

- Failure to disclose related-party compensation in material detail.
- Failure to inform investors of use-of-proceeds breakdown that shows non-charitable enrichment.
- Conflicted self-dealing, contrary to fiduciary standards owed by GPs to their LPs.

Legal Weaponization, Defamation, and Whistleblower Suppression

A. Lawsuits as Tools of Intimidation

In 2024 and 2025, Solidaris LLC, under the leadership of Geoff Dietrich, began aggressively pursuing civil litigation against individuals and companies who publicly or privately criticized the SecureTomorrow, Colors4Kids, and related charitable offerings. This includes filing suits in Dallas County, Texas, asserting misappropriation, defamation, and trade secret theft.

However, these legal actions have been widely interpreted by industry insiders as retaliatory and strategic — not to protect any true intellectual property, but to silence whistleblowers and competitors raising serious regulatory and compliance concerns.

The counter-complaints filed in those same proceedings include evidence that:

- The asserted “trade secrets” were not confidential (e.g., shared via public Dropbox folders).
- The SecureTomorrow/Colors4Kids structure was offered widely through unsecured channels, invalidating any confidentiality claim.
- Solidaris themselves licensed or sold the core structure to others for replication, nullifying exclusivity.

These facts severely weaken any legitimate claim of misappropriation.

B. Media Defamation Campaigns

Concurrently, Solidaris and Dietrich appear to have retained political public relations firms and media consultants — including high-level law firms tied to former White House figures — to launch targeted online defamation campaigns.

These campaigns were distributed through low-integrity media networks, sometimes appearing as sponsored content masked as investigative journalism. The claims made in these articles:

- Falsely portray competitors as criminals or fraudsters.
- Misrepresent the legal filings themselves (often before discovery or rulings).
- Cite lawsuits as evidence of wrongdoing without disclosing counterclaims or underlying context.

The result is a chilling effect on whistleblowing, as individuals connected to CRP and other alternative structures report:

- Harassment.
- Online defamation.
- Doctored narratives intended to discredit them in the eyes of donors and regulators.

C. Whistleblower Filings and Bloomberg Investigation

In response to Solidaris' aggressive tactics, multiple individuals with knowledge of the financial and structural abuses have filed whistleblower complaints with the IRS and SEC.

In parallel:

- Bloomberg, among other media organizations, is reportedly working on an investigative exposé examining:
  - The claimed $2.1 billion in charitable deductions over four years.
  - The discrepancy between FMV claims and asset quality.
  - Charities' failure to report donations.
  - Unreported GP income and related-party self-dealing.

This mounting pressure coincides with intensified regulatory interest in syndicated charitable deduction structures broadly, making transparency, independent governance, and substantiation more critical than ever.

Analysis of Charitable Asset Integrity and Overvaluation Risk

A. Overview of Assets Claimed

Between 2022 and 2025, Solidaris and affiliated entities such as Colors4Kids, SecureTomorrow, Hear2There, and Novaderm presented charitable contributions through Series LLC structures that allegedly qualified for 5x fair market value deductions. Across those years, nearly $2.1 billion in charitable tax deductions were claimed on the basis of assets often questionable in value, utility, or legitimacy.

The assets included:

- Non-FDA-approved medical devices (Novaderm skin rejuvenation kits and Hear2There auditory devices).
- Digital coloring book downloads (offered by Colors4Kids).
- Software license rights (SecureTomorrow's AI-driven behavioral tools).
- Gift cards purporting to provide access to these products, not physical inventory.

While these offerings appear diverse, they share identical structural flaws, especially around asset ownership, FMV justification, and actual use by recipient charities.

B. Novaderm and Hear2There: Ineligible for Donation?

Solidaris' 2022 and 2023 campaigns revolved around Novaderm and Hear2There, both of which have been cited for regulatory non-compliance:

- Novaderm was not FDA-cleared for distribution, meaning the donated products may not have been legally deliverable to end users, especially via 501(c)(3) health organizations.
- Hear2There posed similar issues. Internal emails suggest Solidaris was warned by external compliance advisors that the devices could not be donated without FDA 510(k) clearance or equivalent medical device registration.

Despite these warnings, both were valued aggressively, and in many cases charities never received usable products, nor did they understand how to deploy them, further calling into question whether any real public benefit occurred.

C. Colors4Kids and SecureTomorrow: Intangible and Circular

In 2024, Solidaris pivoted from physical devices to intangible, IP-based contributions. These included:

- Download codes for digital coloring books (Colors4Kids).
- Non-exclusive contract rights to use AI-based tools allegedly developed by the Clarion Project (SecureTomorrow).

The appraised FMV of these downloads was $5 each, despite the appraiser herself noting in writing that the actual market value was “no doubt less.” In total, over $186 million in investor capital was used in 2024 to generate over $930 million in claimed charitable deductions across these platforms.

Key concerns:

- The “donated” assets were not unique, had no expiration, and no commercial track record.
- License sellers like Solidaris received upwards of $600K per $2M Series LLC, leaving only ~$500K to fund any manufacturing or delivery efforts.
- Charities receiving these assets reported no clear ability to use the downloads or software and in most cases did not even report the donations to the IRS.

D. FMV Conflicts and 8283 Fraud Indicators

Multiple 8283 Forms submitted by Colors4Kids and SecureTomorrow show:

1. **Conflicting FMV representations**:
    - Some list a $10M valuation (20x original contribution), while others reflect only the lower K-1-aligned 5x deduction.
2. **Unsupported "Intellectual Property Class A"**:
    - Claimed as created by the Series LLC, despite no such creation activity being referenced in the PPM or internal agreements.
3. **Unsigned or incomplete forms**:
    - In at least one instance, the only signed 8283 failed to include required basis or valuation data — rendering it non-compliant under IRC §170(f)(11) and Reg. §1.170A-13(c).

By contrast, in legally compliant offerings, each 8283 must:

- Accurately describe the property.
- Match the FMV with appraisals and PPM documentation.
- Include all signatures from appraisers and donee charities.

- Align with claimed deductions on K-1s.

The 8283 irregularities in Solidaris-linked offerings reflect systemic misreporting, undermining both donor tax positions and the charitable substantiation rules critical to IRS oversight.

Charitable Participation Failures and IRS Exposure

A. Lack of Donee Oversight and Utilization

One of the most critical failures in the SecureTomorrow / Colors4Kids / Solidaris charitable structure lies in the absence of active and verifiable participation from the donee charities. Under IRS guidelines (specifically IRC §170 and §1.170A-13(c)), charities are not only required to acknowledge receipt of donated property but also to affirm its intended use in line with their tax-exempt mission.

Key issues observed:

- Non-reporting of donations: In 2024 alone, the vast majority of charities listed as recipients (based on attached 8283 forms and correspondence) failed to file the Form 990 Schedule M disclosing receipt of non-cash donations — despite donations totaling nearly $930 million in claimed FMV across SecureTomorrow and Colors4Kids Series LLCs.
- Lack of operational deployment: Charities did not report or show any trace of actually using the software, digital books, or medical tools — either in programming, grant reporting, or mission-based delivery.
- Substitute signatures or missing verifications: In numerous 8283s reviewed, donee charities either did not sign or signed copies with missing FMV and basis data, making it impossible to validate the donation or confirm receipt.

This violates IRS donation substantiation rules, particularly:

- **IRC §170(f)(8)** – requiring a contemporaneous written acknowledgment from the donee.
- **IRC §170(f)(11)** – demanding a qualified appraisal and proper documentation for contributions over $5,000.
- **Reg. §1.170A-13(c)(4)** – mandating donee signature with property description, date received, and acknowledgment of intended use.

B. IRS Audit Triggers and Red Flags

The structure promoted by Solidaris contains **multiple overlapping audit risk indicators**:

Risk Factor	***Description***

Conflicting 8283s	Multiple filings for same asset class, with varying FMV, basis, or characterization.
Lack of Donee Reporting	Charities not filing Form 990 Schedule M; some don't even exist in the IRS database.
No Proof of Use	Charitable organizations failed to deploy assets in any programmatic or mission-related function.
Self-Dealing and FMV Conflicts	Appraisers and license holders are often linked to promoters; FMVs unsupported by market activity.
Improper Basis Preservation	Use of "tax-exempt income" to maintain investor basis without economic substance.

Collectively, these behaviors open both general partners (GPs) and limited partners (LPs) to potential IRS enforcement under:

- **IRC §6662** – Accuracy-related penalties.
- **IRC §6700** – Promoting abusive tax shelters.
- **IRC §6695A** – Appraiser penalties for substantial or gross valuation misstatements.
- **IRS Form 8886 (Reportable Transactions)** – Failure to disclose may result in additional fines.

C. Discrepancy in Charitable Substance

In a true charitable contribution:

- The charity must benefit, not the promoter.
- The donation must have economic substance and charitable utility.
- There must be clear separation between donor, operator, and donee.

In Solidaris-linked programs:

- 65–75% of investor funds were used on commissions, licensing fees, or affiliate compensation.
- Charities were often passive, sometimes unaware of the donation or its nature.
- Products had limited or no usability, and lacked credible deployment strategies.

D. Comparison with IRS-Compliant Structures

In contrast, charitable programs structured with:

- **Escrow safeguards**,
- **Independent FMV appraisal**,
- **Real-time asset fulfillment with trackable use**, and
- **Transparent reporting on 8283s and K-1s**,

...are not only compliant but audit-resistant. SecureTomorrow and its affiliated Series LLCs fail all four benchmarks.

Industry Whistleblowing, Media Scrutiny, and Legal Exposure

A. Whistleblower Allegations and Ongoing Investigations

In 2025, several whistleblower reports were submitted to the IRS, SEC, and other regulatory agencies naming Geoff Dietrich, Solidaris, and their associated charitable structures (including Colors4Kids, SecureTomorrow, and Hear2There). The reports allege:

- Fundraising based on non-viable donation assets like unapproved medical products.
- Self-dealing through affiliates under the guise of Series LLC disbursements.
- Artificial basis preservation and inflated charitable deductions via misused Form 8283s.
- Failing to deliver donated products to charities.
- Concealing affiliated compensation and violating SEC Rule 506(d) on bad actors.

B. Legal Weaponization of Public Lawsuits

Rather than defending the integrity of its programs through public transparency, Solidaris and Geoff Dietrich have been observed engaging in strategic litigation intended to serve as the basis for defamatory media attacks. Specifically:

- Lawsuits filed in Dallas County have been repurposed into defamatory articles falsely framed as objective investigative reports.
- Articles published through PR firms, reputation laundering platforms, or ghostwritten editorial services serve to discredit critics, partners, and competitors.
- These stories are circulated without acknowledging that no rulings or judgments have been entered to validate the underlying claims.

To date, several targets of these tactics have countersued, arguing the litigation was filed in bad faith, and the media campaign constitutes malicious defamation.

C. Media Threats and Chilling of Reputable Investigative Reporting

Numerous reputable media outlets — including national and financial publications — began exploring the charitable tax shelter models used by Solidaris. However, multiple independent sources report that when Geoff Dietrich or his legal team became aware, they:

- Directly contacted journalists and editors, threatening legal action.
- Claimed defamation or reputational damage as leverage to block publication.
- Submitted demand letters or cease-and-desists to suppress coverage before articles were finalized.

As a result, several respected outlets reportedly withdrew or paused publication, citing risk concerns or ongoing litigation. The chilling effect on mainstream coverage further demonstrates the outsized legal influence wielded to avoid transparency.

Conversely, less credible online publishers were leveraged to fabricate favorable narratives and publish unverified attacks against whistleblowers, former partners, and competitor firms.

D. Bloomberg and Federal Inquiry Developments

Despite these efforts to block traditional media coverage, Bloomberg journalists are independently investigating the situation, with an emphasis on:

- The true structure and fundraising of Series LLC charitable models.
- Potential tax fraud through inflated appraisals and improper use of Form 8283s.
- SEC and IRS violations involving unlicensed fundraising, unregistered brokers, and false charitable representation.
- The recycling of failed donation assets from year to year — including Novaderm and Hear2There kits — under changing marketing veneers.

Bloomberg's involvement indicates the matter has crossed a national relevance threshold and reflects the depth of evidence and witness corroboration now available.

E. Summary of Legal Risks and Public Exposure

Category	***Risk Description***
IRS Audit Exposure	Improper valuation, basis manipulation, expense omission, and failure to deliver useable donated assets.
SEC Risk	Non-disclosure of affiliated compensation, failure to register commissions, misleading use of Reg D.
Civil Exposure	Defamation countersuits, litigation abuse claims, and whistleblower retaliation.

Reputational Fallout	Erosion of trust among donors, charities, and media due to coercive tactics and conflicting filings.
Media Blowback (Pending)	Once major outlets release suppressed stories, risk of congressional interest or coordinated IRS/SEC action rises.

Chapter 10: Year-by-Year Breakdown of Claimed Donations, Fundraising Totals, and Expense Allocations

Year-by-Year Breakdown of Claimed Donations, Fundraising Totals, and Expense Allocations

A. Overview: Solidaris-Directed Offerings from 2022 to 2025

Between 2022 and 2025, Solidaris (and affiliated programs including Colors4Kids, SecureTomorrow, and Hear2There) offered charitable tax structures with consistently inflated donation multiples, misaligned incentives, and undisclosed conflicts of interest.

Across all four years, the model used variations of the same Series LLC structure, promising a 5x charitable deduction multiple on investor contributions. Despite this promise of public benefit, each offering year shows **a growing disparity** between funds raised, expenses, and actual value transferred to charities.

B. 2022 – Novaderm Program

- **Fundraising**: $60 million raised from investors.
- **Claimed Charitable Deductions**: $300 million (via 5x multiple).
- **Assets Donated**: Novaderm skin patches, a non-FDA approved product.
- **Known Issues**:
    - Medical device not cleared for charitable use in U.S. healthcare environments.
    - No tracking of delivery to intended recipients.
    - Numerous charities did not report receiving any donated product.
- **Expense Allocations**:
    - ~75% of funds classified as “operating expenses.”

    - ~65% flowed to Solidaris and entities controlled or owned by Geoff Dietrich.

C. 2023 – Novaderm + Hear2There Expansion

- **Fundraising**: $120 million.
- **Claimed Deductions**: $600 million (5x).
- **Assets Donated**:
    - Novaderm (again).
    - Hear2There (audio processing kits) — marketing claims lacked verified clinical support.
- **Issues Identified**:
    - Charities again failed to acknowledge or report donated assets.
    - Appraisal values were significantly higher than comparable goods in the marketplace.
    - No confirmation of intended medical utility or impact.
- **Expense Allocations**:
    - 75% spent before donation.
    - 65% reportedly paid to Solidaris affiliates.

D. 2024 – Peak Scale: Hear2There, SecureTomorrow, Colors4Kids

- Fundraising: $186 million.
- Claimed Charitable Deductions: $930 million (5x).

Assets:

    - **SecureTomorrow**: Contractual access to AI security tools (licensing from Clarion Project).
    - **Colors4Kids**: Digital coloring book downloads ($5 FMV claimed per download).
    - **Hear2There**: Continued from 2023 offering, with similar regulatory deficiencies.

Issues:

- Form 8283s contained **conflicting asset valuations**, sometimes missing signatures or basis values.
- Appraisers acknowledged **market value “no doubt less”** than the inflated FMV listed.
- Expenses not reflected on K-1s; basis preserved via fictitious tax-exempt income.
- Charities failed to file appropriate IRS documentation acknowledging the donations.

Expense Allocations:

- Again, 75% of funds removed for marketing, licensing, and affiliate fees.
- Solidaris and partner entities collected an estimated $120M+.

E. 2025 – Record Year with Preemptive Funding Disclosure

- Reported Fundraising: $420 million (as per statements made to Access Capital).
- Targeted Deduction Claim: $2.1 billion via the 5x multiple model.
- Assets Marketed:
    - Same as 2024 (SecureTomorrow, Hear2There, Colors4Kids) with minor repackaging.
- Significant Notes:
    - Offerings were essentially recycled.
    - No new appraisals provided publicly; appraisers were rumored to have declined participation.
    - Pressure campaigns and legal threats launched to deter scrutiny.
- Expense Pattern: Presumed continuation of 75% disbursement model unless proven otherwise.

F. Summary Table: Financial Metrics Across Four Years

Year	Fundraising (Investor Capital)	Claimed Charitable Deductions	Main Assets	Expense Rate	% to Solidaris Entities	Charity Acknowledgments
2022	$60M	$300M	Novaderm	~75%	~65%	Sporadic / unreported
2023	$120M	$600M	Novaderm, Hear2There	~75%	~65%	Largely unverified
2024	$186M	$930M	Hear2There, SecureTomorrow, Colors4Kids	~75%	~65%	Charities failed to file
2025	$420M	$2.1B (target)	Repackaged 2024 assets	Presumed 75%	Likely unchanged	Pending audit findings