

ATTORNEY GENERAL OF THE STATE OF NEW YORK
CHARITIES BUREAU

In the Matter of

Assurance No. 21-067

**Investigation by LETITIA JAMES,
Attorney General of the State of New York, of**

Melvin Wilson,

Respondent.

ASSURANCE OF DISCONTINUANCE

The Office of the Attorney General of the State of New York (“OAG” or “Attorney General”) commenced an investigation pursuant to Section 8-1.4 of the Estates, Powers, and Trusts Law (“EPTL”), and Sections 112, 706, 714, 715, 717, and 720 of the Not-for-Profit Corporation Law (“N-PCL”), to determine whether an action should be instituted against Reverend Melvin Wilson (“Respondent” or “Reverend Wilson”), the former Presiding Elder of the Brooklyn-Westchester District of the African Methodist Episcopal Church, concerning financial transactions with a real estate developer, Moujan Vahdat, and Mr. Vahdat’s affiliated business entities (collectively the “Developer”) in connection with various real estate transactions involving African Methodist Episcopal Church properties. These real estate transactions were all subject to statutory review by the Attorney General. The Developer entered into a separate Assurance of Discontinuance with the Attorney General, dated as of February 11, 2021. The present Assurance of Discontinuance (the “Assurance”) contains the findings of the OAG’s investigation of Respondent, and the relief agreed to by the OAG and Respondent (collectively, the “Parties”).

BACKGROUND

1. The Attorney General's Charities Bureau has oversight over religious corporations and not-for-profit corporations in New York State, including their directors and officers. The OAG is responsible for supervising charitable organizations, including religious organizations, and protecting the beneficiaries of charities from unscrupulous practices in the management of charitable assets. By statute, the Attorney General represents the interests of the ultimate charitable beneficiaries in certain transactions involving the transfer of assets and the disposition of proceeds of assets of charitable and religious organizations, and is tasked with the responsibility to protect the value of those assets.

2. Religious institutions in New York state are required to adhere to the procedures set forth in the N-PCL because Religious Corporation Law §12 provides that "a religious corporation shall not sell, mortgage or lease for a term exceeding five years any of its real property without applying for and obtaining leave of the court therefor pursuant to §511 of the not-for-profit corporation law...." N-PCL § 511-a also provides a mechanism for obtaining approval of such a transaction directly from the Attorney General.

3. Under either N-PCL §§ 511 or 511-a, a party seeking such approval must present a verified petition to the appropriate state supreme court, or to the OAG, setting forth, among other matters: (i) a statement of the fair value of the property being conveyed; (ii) the consideration to be received by the corporation in exchange for its property and the intended use of such proceeds by the corporation; (iii) a statement that the consideration and the terms of the transaction are fair and reasonable to the corporation, and that the purposes of the corporation, or the interests of its members will be promoted thereby, with a statement of the reasons the corporation reached this conclusion; and (iv) evidence of proper authorization of the transaction

by the directors, members and any other governing bodies of the corporation.

4. Upon presentation of the petition to the Court, N-PCL § 511(b) requires that the Attorney General receive notice and provide a no objection conclusion or state any objections to the petition in advance of the petition being heard by the Court.

5. Between 2015 and 2017, the Charities Bureau approved petitions for the sale to the Developer through one of its related entities of five properties owned by African Methodist Episcopal churches (“AME” or “AME Church”). The OAG issued an administrative approval for the sale of one of those properties, and the other four petitions were approved by the Court after OAG filed a response of “no objection” in reliance on the veracity and completeness of the representations and supporting documentation in the relevant petitions.

6. After the transactions closed and title to four of the properties and control of the fifth passed to the Developer, the Attorney General became aware of allegations that certain terms and conditions that formed the basis of OAG “no-objections” or approval of the transactions had been modified, amended, or were otherwise not performed, despite Court Orders or an administrative approval to the contrary.

7. The Attorney General thereafter commenced an investigation (the “Investigation”) into the circumstances of these transactions. The five AME Church transactions involved St. John AME, Bethel Tabernacle AME, Greater Bethel AME, Ebenezer AME, and Metropolitan AME (collectively, the “AME Transactions”).

8. The Investigation spanned more than three years and included the issuance of multiple subpoenas for documents and testimony; the production of documents from multiple sources; and examinations, proffers, and interviews of multiple witnesses.

9. The Investigation found that Respondent, a Presiding Elder in the AME church, was responsible for assisting the AME Churches with the sale or lease of their churches in the AME Transactions to the Developer. Respondent and another senior clergy in the AME hierarchy, who held the authority to approve the AME Transactions¹, on the one hand, and the Developer, on the other, had a financial relationship that was not disclosed to the OAG or to members of the AME hierarchy or relevant congregations in connection with approval of the respective transactions. Respondent's acceptance of undisclosed benefits from the Developer had the capacity to, and did, have a material adverse influence on the exercise of his independent judgment. Respondent's financial relationship with the Developer inured to his personal benefit and to the detriment of the AME churches and their congregants, to whom Respondent owed fiduciary duties. As a result, Respondent breached his fiduciary duties to the AME churches and their respective congregants, in violation of N-PCL § 717, and engaged in related party transaction that violated N-PCL § 715. The OAG is authorized under N-PCL § 112, § 715, and § 720 to seek to obtain financial and other relief from those participating in or benefiting from these transactions, including Respondent.

OAG'S FACTUAL FINDINGS

The OAG has made the following factual findings:

A. The AME Church and Respondent's Role in the Sale of Church Property

10. The AME Church is a Methodist religious organization that is overseen by 21 active bishops, and organized into 20 Episcopal Districts, covering thirty-nine countries, on five continents.

11. The AME Church describes itself as a "connectional organization," which has a

¹ This Assurance does not address the OAG's findings concerning the senior AME clergy other than to the extent those findings also relate to Respondent.

multi-tiered hierarchy. See <https://www.ame-church.com/our-church/our-structure/>. The governance of the AME Church, and its policies, are set forth in writing in The Doctrine and Discipline of the African Methodist Episcopal Church.

12. The General Conference, which is at the top of the AME hierarchy, is composed of Bishops, who lead the Episcopal Districts. Within each Episcopal District, the AME incorporates entities known as Annual Conferences. The Annual Conference has authority over all AME churches within a defined geographic area that is further subdivided into Districts.

13. New York is part of the First Episcopal District, which also includes Bermuda, Delaware, New England, New Jersey, and Pennsylvania. New York has two Annual Conferences, one of which is the New York Annual Conference of the African Methodist Episcopal Church (“NYAC”). NYAC is registered with New York’s Department of State as a domestic not-for-profit corporation, and is comprised of three districts, including the Brooklyn-Westchester District and the Manhattan District.

14. At all relevant times, the Bishop of the AME First Episcopal District (hereinafter, the “Bishop”), oversaw all AME churches within New York. By virtue of the AME’s Doctrine and Discipline, the Bishop is also the President of NYAC.

15. Each annual conference is divided into districts, and each district is led by a Presiding Elder who is appointed by the Bishop. Reverend Wilson was appointed by the Bishop and served, during all relevant times, as the Presiding Elder of NYAC’s Brooklyn-Westchester District and the Director of Stewardship and Leadership Development for NYAC. In June 2018, the Bishop also named Respondent as the First Episcopal District’s “Development Officer”. Respondent is currently a pastor at St. Matthew AME Church in Orange, New Jersey.

16. All five AME churches at issue are located within two NYAC districts—the Brooklyn-Westchester District and the Manhattan District. NYAC’s Board of Trustees, with the Bishop as its Chairperson and President, had responsibility to oversee, and held the ultimate authority to approve, all real estate transactions involving AME properties in New York, including each of the transactions with the Developer.

17. Reverend Wilson served as the Bishop’s liaison with the Developer for all of the AME Transactions, including exercising authority, power, control, and influence over transactions involving AME churches in the Manhattan District. In addition, Reverend Wilson attended multiple meetings of the NYAC Board of Trustees.²

18. The process for the sale of property owned by an individual AME Church is set forth in the AME’s Doctrine and Discipline and requires three levels of approval within the AME Church hierarchy, each of which is evidenced by a resolution by (i) the individual church’s Board of Trustees and members of the congregation; (ii) the Quarterly Conference; and (iii) the Annual Conference.

19. For the AME Transactions, four of the churches, St. John AME, Greater Bethel AME, Ebenezer AME, and Metropolitan AME, were located in Harlem. The Quarterly Conference approval for each of those transactions was signed by the Presiding Elder for the Manhattan District. The fifth AME Church, Bethel Tabernacle AME, is located in Brooklyn, and Respondent signed the Quarterly Conference approval as the Presiding Elder for the Brooklyn-Westchester District. For each of the AME Transactions, Respondent exercised authority, power,

² As set forth herein, Respondent and the Bishop had various communications with or concerning the Developer and/or the transactions at issue. As detailed in the Assurance, some communications involved both clergy and some involved only one of the clergies.

control, and influence over the process by virtue of the Bishop's conferring of authority upon him to bring the deals to fruition in his capacity as the Bishop's liaison.

20. Once the Quarterly Conference issued its approval of the sale transactions involved herein, the sale terms are required to be taken up by NYAC for its review and approval. Minutes of NYAC Board meetings in the relevant time period reflect the Board's consideration of multiple potential development deals.

21. The AME process requires that NYAC's Board of Trustees approve each transaction; the results are then memorialized in a resolution of the NYAC Board reflecting whether NYAC approved the terms of the transaction, on the specific date. The NYAC resolution reflecting such approval is the final step needed to support a Verified Petition for approval of the sale by the OAG and/or the Court. The NYAC Board of Trustee resolution is attached as an exhibit to the Verified Petition submitted to the Court or to the Attorney General.

22. As Chairman and President of NYAC, the Bishop oversees the NYAC Trustees, who have final authority to approve sale transactions involving the property of AME churches in the metropolitan New York area, including in the Manhattan and Brooklyn-Westchester Districts.

23. As the Chairperson of the NYAC Board of Trustees and NYAC's President, the Bishop signed four of the five resolutions purportedly evidencing NYAC's Board of Trustees approval for each particular transaction. Another Trustee signed the fifth resolution. Respondent frequently attended the meetings of the NYAC Board of Trustees where the AME Transactions and other potential sales were being considered.

24. Reverend Wilson knew that the executed NYAC and Quarterly Conference resolutions evidencing approval of the sales were necessary and would be annexed to each

Verified Petition submitted to OAG and the Court, and that the Attorney General would rely upon those resolutions in making its determination whether to approve or object to the sale.

The AME Transactions and Respondent's Receipt of Payments from the Developer

25. Beginning in or about 2013, the Developer first took steps to identify for purchase and possible development properties owned by churches in the New York city area. As a general matter, developing those properties was a profit-making endeavor for the Developer. At the same time, the transactions could provide financial relief to churches that were in many cases heavily financially leveraged. These development transactions typically entailed (i) demolition or remediation of the current church building; (ii) erection of a new multi-story building or refurbished property containing a church sanctuary and/or community facility delivered as separate, independent condominiums to be owned by seller church; and (iii) ownership of the remainder of the building by a purchaser entity with space to be used for residential and/or commercial use.

26. At the time of the first of the church transactions, the Developer had no prior experience with any church development deals.

27. In 2015, the Developer was introduced to a non-clergy AME parishioner who had connections to leadership in the AME church community. The parishioner, through an entity set up for this purpose, began serving as a paid "finder" for the Developer (the "Third-Party Finder"). The Third-Party Finder facilitated preliminary discussions between the Developer and St. John AME, located in Harlem, about a potential sale. Those early conversations extended into May 2015, when the Third-Party Finder also identified Bethel Tabernacle AME in Brooklyn to the Developer as another potential acquisition.

28. The Third-Party Finder thereafter helped facilitate a meeting between the Developer, the Bishop, Reverend Wilson, and others in May 2015. The Third-Party Finder sent an email to the Developer on May 6, 2015, advising him as to the upcoming meeting. The Third-Party Finder wrote:

Good evening [Developer],

Please confirm meeting with the Bishop.

The closed introduction meeting with Bishop [. . .] has been confirmed by my contact Elder Melvin Wilson. The Bishop can meet with you, [. . .] and myself on May 15, at 10am. Elder Wilson will be escorting the Bishop to the meeting. Elder Wilson is someone the Bishop confides in, has respect for what he thinks and who might be given the task to find what church would gain the most from your offer.

Since the Bishop has the final say on any contract dealing with the churches, I am calling this meeting, in hope:

- 1- The Bishop will see that you are a great business man, a man of integrity and fair.
- 2- He will see your vision in helping our failing churches survive
- 3- This will also make my work easier by having Elder Wilson bring in a cluster of AME Churches from the New York District to you.

Since there may be a possibility of churches coming through the Bishop's [sic], from this meeting, how will the finders fee [sic] then be handled?

29. The Developer was advised by the Third-Party Finder, from the outset, that the Bishop had the final approval of all AME church property transactions in New York, that the plan was for a “cluster” of AME churches to be presented to the Developer for sale, and that Reverend Wilson would be playing a key role in the process.

30. By written agreement dated as of May 14, 2015, the Developer agreed to pay the Third-Party Finder an amount equal to 6% of the cash component of any church transaction that closed. By separate agreement between the Third-Party Finder and Reverend Wilson, the Third-

Party Finder agreed to donate one-half of the 6% finder's fee to the Brooklyn-Westchester District. The Developer was expressly aware of their agreement.

31. The meeting between the Developer, Bishop, Revered Wilson and others, which was arranged by the Third-Party Finder, took place on May 15, 2015. At that meeting, the Bishop solicited from the Developer the Initial Donation for which the Developer would later receive recognition as a sponsor of the AME's 2016 Bicentennial celebration.

32. On May 18, 2015, following the May 15, 2015 meeting, the Third-Party Finder sent the Developer the following email:

Good Morning [Developer], [h]ope you had a great weekend.

As you probably have already heard, the meeting on Friday, May 15, 2015 went very well. The Bishop and Reverend Wilson were very excited and pleased to have met with you.

I know they are very thankful for the opportunity that you have set before them. Both the Bishop and Reverend, as you can see, has now confirmed, the three locations, which I have previously mentioned, as potential projects, has now made you their developer.

Going forward, I need some clarity, now that the Bishop has selected Reverend Wilson to serve as his liaison and per my contract, signed May 14, 2015, I will actively be involved with negotiating transactions between Elmo reality (sic) and the churches. I want to know from you, should all matters concerning current/future projects with Rev. Wilson or any other church be presented to me as your liaison? Or should Reverend Wilson or any other church, I introduce to you, remain in contact with you directly after the introduction?

33. As early as May 2015, the Developer was advised that the Bishop and Reverend Wilson had intended to "ma[k]e [him] their developer", and that Reverend Wilson would be serving as the Bishop's "liaison".

34. On June 4, 2015, Reverend Wilson sent an email to the attorney representing St. John AME, copying the Bishop and St. John's pastor, stating:

Please find below the 2 proposals that have been negotiated regarding St. John, Harlem. While these numbers are not and may not be what we desire, they are the best that can be done. You should know that [Developer] and the Bishop have had personal conversation, and the St. John project is part of a larger scenario. In other words, we pretty much need to go with this.

35. On June 7, 2015, Reverend Wilson traveled to New York in advance of a series of meetings that were to take place among the Developer and St. John AME and Bethel Tabernacle AME with their attorneys.

36. In anticipation of those meetings, the Developer sought confirmation via text message to Reverend Wilson on June 7, 2015, that Reverend Wilson would be authorized to discuss financial terms on behalf of the AME, to which Reverend Wilson replied that he was in fact so authorized.

37. In an email dated June 10, 2015, Reverend Wilson wrote to the Developer, thanking him for a gift:

[Developer]:

I am speechless at the kindness and generosity you extended to me today with your gift. While I am eternally grateful, I was perfectly willing to wait until the Brooklyn deal was consummated. However, I humbly receive your gift with deep appreciation.³

38. The Developer responded to Reverend Wilson the same day by writing:

Please you are too kind
Safe travels
See you tomorrow
Any news on St. John closing?

39. Thereafter, in an email from Reverend Wilson to the Developer on June 12, 2015, Reverend Wilson wrote:

³ The "Brooklyn deal" refers to Bethel Tabernacle AME.

. . . Finally, I thank you for agreeing to be a supporter of our 2016 Bicentennial. I know the plan was to have the Brooklyn deal signed by yesterday, and I know your donation was somewhat contingent on that happening. I want to assure you, however, that we are fully committed to our long-term relationship with you, and that your gift tomorrow is being sown into good ground. . . .

40. On June 13, 2015, the Developer met in Philadelphia with the Bishop and Reverend Wilson and presented the Bishop with the Initial Donation of \$200,000.00 made out to First Episcopal District AME Church Inc., via personal check, dated June 15, 2015⁴. The Developer also gave Reverend Wilson and the Bishop a check payable to the “African Methodist Episcopal Church” for \$2,500.00 as an “offering”.

41. On June 14, 2015, Reverend Wilson sent the Developer a text message, stating:

GA [Developer]. Hope you are well. Thanks again for coming to Philadelphia yesterday. The sermons are usually not that long. We appreciate your patience. Again, I thank you for the generous donation that you gave towards the offering, and the generous donation you gave to the Bishop for the bicentennial period. I hope you reminded him not to cash the check until we have the AG approval.

42. After the June 13, 2015 meeting and the Initial Donation, the Bishop and Reverend Wilson thereafter regularly presented AME properties to the Developer for possible development deals.

43. Reverend Wilson took an active role in identifying AME properties suited for sale to the Developer. The Bishop authorized Reverend Wilson to negotiate financial terms for the sale of AME churches to the Developer within Reverend Wilson’s geographic territory as the Presiding Elder of the Brooklyn-Westchester District. The Bishop also authorized Respondent to negotiate terms for deals with the Developer involving churches located outside of his district, in Manhattan.

⁴ The Developer’s family appears as a sponsor of the Bicentennial celebration on a plaque next to the statue of Richard Allen constructed outside the First Episcopal District’s headquarters in Philadelphia.

44. The Bishop and Reverend Wilson identified AME properties available for potential sale to the Developer. The Developer informed the Bishop and Reverend Wilson which properties he was interested in pursuing and at what price. The Developer negotiated basic sale terms with the particular church, but Reverend Wilson and the Bishop remained involved in that process.

45. As the first two AME Transactions were being negotiated, the Developer expressed frustration with the churches' counsel's insistence on certain deal terms. Reverend Wilson apologized to the Developer for the manner in which the churches' counsel were proceeding. On July 7, 2015, Reverend Wilson sent the Developer an email that stated:

[Developer]:

I wanted to express my personal apology for the way the Bethel Tabernacle and St. John's agreements have been handled. While I acknowledge what [I] believe are the attorney's sincere and genuine attempts to represent their clients fully, I also believe that these deals could have been handled somewhat differently. Sometimes, the process of communication makes all the difference. I am sure that [the] Bishop [...] believes in your genuine desire to work with the AME Church, and I certainly hope and pray that these 2 initial bumps does not prohibit us from working together on other projects going forward.

I am CERTAIN that all will be completely resolved in our Saturday meeting. Again, I am sorry for any misunderstanding or misinformation you may have experienced.

46. On July 22, 2015, the Developer and Bethel Tabernacle AME executed a 99-year ground lease and development project. Bethel Tabernacle AME is located at 1634-1650 Dean St., Brooklyn, New York. The entity developing the property was 1634 Dean Street LLC.

47. On August 20, 2015, the Developer and St. John AME signed a contract for the sale of the property of St. John AME, located at 132 West 134th Street, New York, New York, to Empire Development Fund 3 LLC.

48. In an email dated August 27, 2015, from the attorney representing St. John AME to the Developer and his counsel, with a copy to the Bishop, the pastor of St. John AME, and the Presiding Elder of the Manhattan District, the attorney wrote:

Mr. [Developer] and Mr. [.....]:

The status of the process of approval with the AME Church is as follows. The Trustee's (sic) of St. John AME have approved the Site Development Agreement and Purchase and Sale Agreement. The Quarterly Conference has authorized the same. The matter is now before the Bishop and the New York Annual Conference Board of Trustees. . . .

Upon receipt of the approval of the New York Annual Conference Trustees and the financials I will forward to you a copy of the petition along with resolutions and exhibits which will be submitted to the Attorney General well before the timeline in the agreement.

49. On September 6, 2015, Reverend Wilson sent the Developer a text message stating that the Bishop was close to signing off on the St. John AME transaction, and that Respondent "also ha[d] at least 3 other churches ready for [the Developer] to consider."

50. In a text message exchange on October 8, 2015, Reverend Wilson asked the Developer, "How much can I expect, if anything, from the Metropolitan deal?" The Developer responded, "\$100K". Reverend Wilson wrote, "Great" and "Thank you" and "More churches on the way...."

51. As discussed below, Reverend Wilson ultimately received \$75,000 from the Developer following the transaction with Metropolitan AME church.

52. On November 4, 2015, the Developer's entity Empire Development Fund LLC paid Reverend Wilson \$5,000.00 via check.

53. Also, in December 2015, the Developer's entity 375 Pleasant Inc. paid Reverend Wilson \$5,000.00 via check.

54. The Developer and Reverend Wilson thereafter discussed the possibility of the Respondent working for the Developer's company, Elmo Realty, while continuing to maintain his role as the Presiding Elder of the Brooklyn-Westchester District.

55. Reverend Wilson sent the Developer an email dated December 28, 2015, the subject line of which was "Your Job Offer", and concluded the email by stating:

My thought is that it would be more beneficial TO YOU for me to continue working as a Presiding Elder/Minister, because this position and title gives me entree' into many places. Maintaining my ministerial role and title would also allow me to keep my membership on the Mayor's Clergy Advisory Council. While my first calling, of course, is the ministry, I don't see any conflict or problem with my role as a Presiding Elder and in working with you. I'm a pretty good worker, and somehow manage to successfully fit it all in. I quickly ran this idea by [the] Bishop [...] today, and he absolutely supports the idea of me accepting this position. We will talk more when he comes to town on Thursday, but in his mind, it's something I should do.

56. By check dated January 26, 2016, the Developer wrote a check for \$5,000 to the Brooklyn-Westchester District.

57. Reverend Wilson, with the Bishop's blessing, expressly sought to use his authority in the AME Church to enrich himself personally, without regard to his obligations to the AME, and while the Developer was continuing to seek to purchase AME Church properties. In addition, this relationship was never disclosed to the other NYAC trustees or to the pastors of the churches involved in relevant transactions.

58. At this same time, Reverend Wilson continued to expand his personal financial relationship with the Developer. Reverend Wilson sent the Developer an email on January 21, 2016, that stated:

Thanks again for the opportunity to work with you and everyone at Elmo Realty as we try to make the lives of churches better.

I want my work and compensation to represent you, therefore, I prayerfully submit the following compensation proposal:

1. I would like to receive the previously agreed upon balance due from the Bethel Tabernacle/Dean Street deal since this was in place already, and, quite frankly, I have plans for the use of these funds.
2. I would like to receive the previously agreed upon \$100k from the Ebenezer deal once it closes.
3. I would like to receive \$10,000 per month effective March 1.
4. I think I would like all amounts made payable to the Brooklyn-Westchester District. I will check with my accountant to verify. Please advise if this is possible. Thanks again for the opportunity.

59. On February 1, 2016, Reverend Wilson sent an email to the Presiding Elder of the AME's Manhattan District and copied the Bishop, forwarding the contract and terms from the Developer for the purchase of the property of Ebenezer AME. The email stated:

Agreements attached. Even though the required meetings have not yet been held, these docs need to be executed ASAP. The agreement is contingent on the church providing all necessary approvals.

60. On February 23, 2016, the Developer and Ebenezer AME signed a contract for the sale of the property of Ebenezer AME, located at 170 East 123rd St., New York, New York, to Empire Development Fund 3 LLC.⁵

61. In March 2016, the Parties signed a contract for the sale of the property of Greater Bethel AME, located at 32 West 123rd St., New York, New York, to Empire Terrace LLC.

62. On March 15, 2016, the St. John AME transaction received Court approval.

63. The St. John AME transaction closed on March 29, 2016.

64. On April 29, 2016, the Bethel Tabernacle AME transaction received Court approval.

⁵ At the closing on June 6, 2017, the Developer substituted the entity Empire Development X, LLC as the actual owner.

65. In an email exchange beginning on May 2, 2016, an employee of Elmo Realty, on behalf of the Developer, emailed Reverend Wilson requesting that he and the Bishop each provide an IRS Form W-9 to the Developer. When Reverend Wilson asked whether the form should be completed in his name personally or on behalf of the Brooklyn-Westchester District, the Developer's employee replied, "In your personal name. It's for the finder fee payment". Reverend Wilson forwarded the request to the Bishop's assistant on May 3, 2016, who asked, "Is this form for him personally or for the First District?" to which Reverend Wilson replied, "It is for him personally. He asked that I send it to you."

66. The Bethel Tabernacle AME transaction closed on May 10, 2016. On the same day, Developer's entity 1634 Dean LLC paid the Bishop \$200,000.00 via check. The Bishop deposited that check into his personal bank account.

67. On May 12, 2016, two days after the Bethel Tabernacle AME closing, the Developer's entity 1634 Dean LLC paid Reverend Wilson \$46,750.00 by check. Reverend Wilson deposited that check into his personal bank account.

68. On May 21, 2016, Reverend Wilson sent an email to the Developer that stated:

I have committed myself to this work. I believe I have given you and [the] Bishop [...] the best I have. In light of this, and since I do a lot of work, would you consider adjusting the amounts you give me and Bishop. Now Bishop gets \$200k, I get \$100k. Proposal – I get \$200k and Bishop gets \$100k; or, we each get \$150k each. I really want to buy a home before the end of this year. This would help me reach that goal.

69. There is no evidence that the amounts that the Developer paid each of the Bishop and the Respondent changed in response to Reverend Wilson's request.

70. On May 30, 2016, with respect to the Greater Bethel AME transaction, the attorney who prepared the petition for submission to OAG, wrote to the Presiding Elder of the

Manhattan District (which oversees Greater Bethel) (after the sale contract had been executed), stating:

Presiding Elder:

The amount of money the Church is receiving is a little more than a million dollars. That property has to be worth close to three million dollars. I think you and the lawyer [. . .] may want to deal with issue up front. At worst it is worth two million. just giving you a heads up.

71. There is no evidence that anyone in the AME hierarchy or counsel took action regarding the low appraisal⁶, to inform Greater Bethel AME of that fact, or to try to renegotiate the purchase price.

72. On June 6, 2016, the Third-Party Finder wrote a check for \$14,875 to the Brooklyn-Westchester District. That check was deposited into Brooklyn-Westchester's bank account, an account over which Reverend Wilson exercised complete authority and control. There was no oversight over Reverend Wilson's management of those funds, no reporting requirements, and no accountability with respect to the use and disposition of those funds.

73. Shortly thereafter, on June 8, 2016, Reverend Wilson transferred \$14,000.00 from the Brooklyn Westchester District account to his own personal account. On June 9, 2016, Reverend Wilson additionally transferred \$1,000.00 from the Brooklyn-Westchester account to another of his personal accounts.

⁶ In the course of the Investigation, the OAG commissioned appraisals performed by independent appraisers, to provide a retrospective valuation of the properties at the time of the relevant transaction. For all but one of the properties – including the Greater Bethel transaction – the retroactive valuation was higher than the appraisal that was used to support the purchase price for each of the Transactions.

74. On June 21, 2016, the contract for the sale of the property of Metropolitan AME, located at 58 West 135th Street, New York, New York, to the Developer's entity Empire Development Fund 4 LLC, was executed.

75. On July 7, 2016, the Third-Party Finder also wrote a check to the Brooklyn-Westchester District for \$3,000.00. On July 8, 2016, Reverend Wilson transferred \$3,000.00 from the Brooklyn-Westchester District account to one of his personal accounts.

76. On August 8, 2016, the Developer's entity 1634 Dean LLC paid Respondent \$10,000 via check. Reverend Wilson deposited that check into his personal bank account.

77. On August 12, 2016, Reverend Wilson sent an email to the Developer stating, "Thanks for helping me to acquire my [. . .] new car. You continue to be a blessing to me and my family."

78. On October 7, 2016, the Third-Party Finder wrote a check for \$11,900 to the Brooklyn-Westchester District. Shortly thereafter, on October 11, 2016, Reverend Wilson transferred \$10,000 from the Brooklyn-Westchester District account to his own personal account.

79. On November 2, 2016, the Attorney General issued an administrative approval of the Greater Bethel AME transaction.

80. On January 26, 2017, the Greater Bethel AME Transaction closed. Under the terms of the lease agreement between Greater Bethel and Empire Terrace LLC, Greater Bethel was to be responsible for arranging and paying for the costs of its utilities within six months of the lease commencement. At the closing, a change in the material terms of the transaction was presented in place of the contractually agreed upon terms. The monthly rent on the 99-year leaseback from the church as lessee to the Developer as landlord was changed from

\$1/month to \$1,500/month. This (i) changed the OAG approved-terms of the transaction, which had attributed significant value to a basically rent-free lease; and (ii) rendered the approval of the terms of the transaction by the congregation and church hierarchy meaningless. The Bishop and Reverend Wilson were aware of, but did not object to, those material changes to the financial terms of the transaction. In fact, Reverend Wilson called during the closing of the transaction to direct, per the Bishop's order, Greater Bethel to proceed with the revised, unapproved transaction despite the lack of valid approvals.

81. Greater Bethel could not afford to pay the revised rent of \$1,500/month. When the church failed to pay its rent at the substantially higher price, the Developer threatened to and did file a lawsuit to evict the church.⁷ At other times, the Developer, through Empire Terrace LLC, Greater Bethel's landlord after purchasing the property, threatened to and then permitted the heat and electricity in the church to be shut off during the winter. The Developer also failed to respond to repeated complaints from Greater Bethel that the sanctuary ceiling was caving in.

82. Reverend Wilson and the Bishop were aware of the problems the church was having with the Developer. Portions of the ceiling did collapse, causing substantial damage to the sanctuary and to the pastor's robes, and injuring a parishioner, who later filed a personal injury lawsuit.

83. By check dated January 27, 2017, the Third-Party Finder wrote a check to the Brooklyn-Westchester District for \$16,950. On January 31, 2017, Respondent transferred a total of \$10,600 from the Brooklyn-Westchester District to two of his personal accounts. On February 8, 2017, Respondent transferred an additional \$1,600 from the Brooklyn-Westchester account to a personal account.

⁵ Pursuant to a request by the Presiding Elder of the Manhattan District, the "rent" was reverted back to the \$1/month original agreement.

84. While Greater Bethel was experiencing substantial difficulties with the Developer as a landlord, the Bishop and Reverend Wilson nevertheless continued to facilitate the sale of the property of Ebenezer AME to the Developer through one of his entities. In connection therewith, on March 7, 2017, the attorney for Ebenezer AME transmitted to the Bishop, Reverend Wilson, Ebenezer's pastor, another Presiding Elder, the Developer's counsel, the Developer's employee, and another person, copies of the draft resolutions that needed to be signed. In an email dated March 23, 2017, the attorney for Ebenezer wrote to the Developer and his counsel, with a copy to Ebenezer's pastor and another individual as follows:

Dear Attorney [. . .] and Mr [Developer],

I am awaiting the passage of final resolutions from: (1) Ebenezer; (2) Ebenezer's trustee board; (3) the New York quarterly conference of the A.M.E. denomination; and (4) the New York Annual Conference of the denomination.

I expect to receive the first 3 of those perhaps as soon as tomorrow, as the Church is meeting tonight. I spoke to Elder Wilson regarding the 4th resolution which requires the Bishop's signature plus the prior passage of resolutions (1) and (2). I requested that Elder deliver the 4th resolution to me as soon as possible so that I can get the package to the AG's office in order to obtain the final approval. The AG's Office will issue its approval upon receipt of the full package with the executed resolutions, etc...

Once I receive the AG's order, I can submit the request to the NY Supreme Court
...

85. In an email dated March 29, 2017, Reverend Wilson emailed Ebenezer AME's counsel, the Developer, the Developer's counsel, the Developer's employee, the Bishop, and the pastor of Ebenezer AME, stating, "For everyone's clarity, the Bishop did initially sign the Resolution, but after further review of the language, saw that it required a meeting of the NY Conference Board of Trustees. That meeting will take place on Thursday, March 30. The Resolution should be available after that meeting."

86. Despite that, in a text message exchange with Ebenezer AME’s counsel on April 14, 2017, the Developer wrote:

Mr [] I emailed you a resolution that was done for AME on a different church which the AG office approved and Bishop has no problem signing that tomorrow, if you can give him the resolution of Ebenizer [sic] in the same format, I am meeting him tomorrow around 11 am, can you pls see if it can be done? Thank you and best regards

87. The Bishop thereafter submitted as part of the verified petition to OAG a “Certificate of Officer of New York Annual Conference”, also dated April 14, 2017, certifying as true that NYAC’s Board of Trustees had met and approved the Ebenezer AME sale transaction on April 4, 2017, unanimously adopting a series of resolutions, including the following:

RESOLVED, that each member of the Board, officer, Trustee, Church member and key employee has confirmed that he or she (or their relatives) has no direct or indirect financial or other relationship with the Developer and/or its subcontractors and any advisors to either the Developer or the Church and covenants that each such person commit to disclose to the Board, the Trustees and/or the membership if they or their relatives enter into any relationship that may give rise to a conflict during the construction period, and will recuse himself/herself from all deliberations regarding the Project. Further, each such party shall covenant that any material relationship should be disclosed in writing by the Church to the Attorney General. . . .

88. At the time the above was submitted, the Bishop and Reverend Wilson had a financial relationship with the Developer, and were receiving payments directly from the Developer; their relationships with the Developer and those payments were not disclosed to the Board, the trustees, and/or the membership; and the nature of the financial relationship had not been disclosed to the Attorney General.

89. In addition, the NYAC Trustees had not approved the Ebenezer project on the date specified in the Certification.

90. In fact, for each of the AME Transactions, none of the resolutions submitted by the churches in connection with the Verified Petitions or the Verified Petitions themselves disclosed

payments by the Developer or his related entities to the Respondent or the Bishop, or that either had a financial relationship with the Developer. Each Verified Petition submitted by the churches in order to obtain approval of these transactions contained a statement that each such transaction was arms-length, which was false.

91. The minutes of the NYAC Board Meetings held during the relevant time periods do not reflect a vote by the NYAC Trustees approving several of the AME Transactions on several of the dates cited in the NYAC resolutions submitted in support of petitions for Court or OAG approval.

92. The NYAC Board on at least two different occasions between January and April 2017, expressly noted that AME sale transactions had been submitted to the OAG for review and approval without NYAC's having voted on or approved a resolution for the sale. Notwithstanding that fact, the Verified Petitions were submitted to the OAG or to the Court containing resolutions that falsely stated the transactions were properly approved.

93. Respondent knew that several of the NYAC resolutions, which represented that the transactions were properly approved, contained those false statements.

94. On April 17, 2017, the Ebenezer AME NYAC resolution was transmitted by email from Reverend Wilson to Ebenezer's counsel, copying the Bishop, with a blind copy to the Developer.

95. On May 11, 2017, the Ebenezer AME transaction received Court approval.

96. On May 18, 2017, the Metropolitan AME transaction received Court approval.

97. The Ebenezer AME transaction closed on June 6, 2017. On June 7, 2017, the Bishop received a \$200,000.00 payment by check from Empire Development Fund X LLC. The Bishop deposited that check into his personal bank account.

98. On the same date, Empire Development X LLC made a payment to the Reverend Wilson's District, Brooklyn-Westchester, of \$80,100. That check was deposited into the Brooklyn-Westchester District bank account on June 9, 2017.

99. Also by check dated June 7, 2017, the Third-Party Finder made a payment to the Brooklyn-Westchester District for \$10,400, which was deposited into the Brooklyn-Westchester account.

100. In the approximate two-month period following the \$80,100 and \$10,400 deposits from the Developer and the Third-Party Finder, Reverend Wilson transferred at least \$12,500 to his own personal account, wrote a check for \$22,350 to a construction company, and made substantial cash withdrawals.

101. Within a few months of closing the Ebenezer AME Transaction, the Bishop received notice that the Developer was unilaterally altering terms of the deal by withholding two months' rental payments due to a dispute over whether the church met the closing conditions concerning the cleanliness of the property. On July 24, 2017, Ebenezer AME's pastor wrote to the Bishop, forwarding the Developer's letter, and stated:

I am sharing this with you for information's sake and to also let you know that [the Developer] has not been judicious in this matter . . . [the Developer] said that he had pictures and he was going to forward them. To date, there have been no pictures received . . . Further, when [the Developer] initiated an email on June 27, I inquired of him and received no response. I called his cell phone and his office on several occasions and left messages for him. He never responded. As I shared with you, Bishop, we spent over \$10,000 for the clean-up of that building. Even if there was something 'left over' it was not to the tune of \$6,000. [The Developer] is being extremely unreasonable.

102. Notwithstanding the issues raised by Ebenezer AME concerning the Developer, the Metropolitan AME transaction with the Developer closed on September 8, 2017.

103. On September 10, 2017, Empire Development 4 LLC paid the Bishop \$200,000 and the Bishop deposited the check into his personal account.

104. On September 10, 2017, Empire Development 4 LLC paid Reverend Wilson \$75,000 and Reverend Wilson deposited the check into his personal account.

105. By check dated September 11, 2017, the Third-Party Finder wrote a check to the Brooklyn-Westchester District for \$12,500. Respondent thereafter wrote two checks from that account dated September 13, 2017, and September 14, 2017, totaling \$15,300 to two different construction companies.

106. On December 12, 2017, the attorney for St. John AME sent an email to the Developer and the Developer's counsel rejecting the Developer's attempt to amend a material term sought by the Developer in connection with a separate proposed addendum to the St. John Purchase and Sale Agreement. The addendum proposed an extension of dates of the contract for an additional year. The attorney wrote:

[Developer],

I am in receipt of the proposed amendment sent to my Client. Rev. [. . .] cannot waive the payment and performance bond for that provision can only be waived by the Court.

I believe the original agreement outlines the procedure for acquiring the adjacent property. Therefore no amendment is required.

As always you are free to contact me.

107. St. John's pastor forwarded that email exchange to Reverend Wilson the same day.

108. In January and February 2018, after the commencement of the OAG Investigation, the Developer requested from the Bishop and Reverend Wilson letters that sought to characterize the payments the Developer had made to each of them as having been made for charitable purposes for use on the churches' behalf, and had been issued to them personally for

“expediency” and “convenience.” The Developer previously issued IRS Form 1099s to the Bishop and Reverend Wilson for 2016 and 2017, which represented that the payments to them were for “nonemployee compensation” or “other income”.

109. On January 24, 2018 (the check was incorrectly dated January 24, 2019), the Developer entity 1634 Dean Street LLC paid Reverend Wilson \$2,500.00.

The Developer’s Failure to Comply with Terms of the Transactions

110. Throughout 2017 and 2018, the Developer failed timely to meet contractually agreed-upon benchmarks in the Transactions.

111. The Developer commenced litigation to evict Greater Bethel for failing to meet its (unapproved) new rent obligations, and permitted the shut off of its heat and electricity.

112. In addition, at various times, the Developer failed to make timely rent payments to St. John AME and Ebenezer AME. Both the Bishop and Reverend Wilson were aware of these issues.

113. By email dated August 22, 2018, the pastor of St. John AME wrote to the Developer, with a copy to the Bishop and the Manhattan District Presiding Elder, stating:

Greetings [Developer],

Hope all is well. I've left a few messages in regards to St. John A.M.E. Church receiving our monthly rent check., but have not heard back from you. We have not received it yet. I understand you are extremely busy; if you can, please give us an update as to when the check will be sent.

114. By email dated September 21, 2018, Reverend Wilson, copying the Bishop, wrote to the Developer:

[Developer]:

I hope you are well. I understand that you are traveling out of the country.

[The] Bishop [...] is having a meeting with the NY Conference Board of Trustees today at 1 pm and needs to know the following:

1. When will St. John's monthly rental allotment be paid?
2. When will construction begin on St. John?
3. When will construction begin on Ebenezer?
4. What are the latest changes you are requesting to the Metropolitan agreement?
5. What is the status of the Dean Street project?

Please advise ASAP. Thank you.

115. In response, the Developer wrote:

Good morning.
WHEN AM I GETTING 52,000 \$ owed to me by Bethel?
When will they remove the Violations
So I can go through with my financing.
Thank you
[Developer]

116. In an email dated September 25, 2018, the pastor of St. John's AME wrote to the Developer, with a copy to the Bishop, stating:

Good morning [Developer].

Hope this email finds you well. The Bishop would like me to get an update on the progress of moving toward the pouring of cement in October for our construction project. Please give me an update when you can.

117. By email dated October 8, 2018, the pastor of St. John AME wrote to the Developer, with a copy to the Bishop and the Manhattan District Presiding Elder, stating,

Good evening [Developer],

Hope all is well. We received our check in the amount of \$7,500 for St. John. Thank you. Also, Bishop [...] informed us that the cement will be poured this week for our project, which is exciting news. Please let us know the date when you can. Thanks again and have a blessed evening.

118. The \$7,500 payment to St. John AME represented three months of rent due to that church. No cement was ever poured at St. John AME.

119. By letter dated January 29, 2019, the pastor of Ebenezer AME wrote to the Bishop stating:

Bishop [...],

The property at 170 East 123rd Street was sold on June 6, 2017. Our relocation fee was to be paid by the 15th day of every month. [The Developer] has been issuing Ebenezer a check every three months rather than monthly and has been doing so for over a year. My last conversation with [the Developer] was around December 21, 2018.

To date, [the Developer] and I have not met nor has any exterior work been done. The building is still standing and we have no updated information.

120. Reverend Wilson failed to take adequate steps to address these continuing problems. In fact, while the Investigation was ongoing, the Bishop and Reverend Wilson sought to expand the business relationship with the Developer, including seeking his bid on a multi-million-dollar project to refurbish the First Episcopal District's headquarters in Philadelphia. Subsequent to their communications with the Developer regarding that project, in January/February 2019, another AME pastor and officer attempted to solicit a \$3 million finder's fee from the Developer if he was awarded the project. The Developer did not become the developer for the refurbishment project.

121. In addition, the Developer, at or after closing, and without approval from the Attorney General or the Court, on multiple occasions entered into amendments eliminating and/or extending material contract terms that diminished or removed protections for the church, such as extending deadlines for delivery of in-kind consideration or eliminating the requirement to provide protections such as payment and performance bonds or letters of credit that serve to secure or induce performance. Amendments and material changes to the transactional terms require proper approvals.

122. At multiple times during the period 2017 through 2021, the Developer unilaterally stopped paying contractually required monthly rent subsidies to several churches. As a condition of his Assurance of Discontinuance with the OAG, the Developer paid amounts still in arrears as of February 11, 2021. The above conduct all occurred at the same time that Reverend Wilson had fiduciary obligations to NYAC, the Brooklyn-Westchester District, the NYAC trustees, and to each of the individual churches, to whom he owed undivided loyalty as a Presiding Elder in the AME church and due to his role and responsibility to represent the AME churches in the transactions with the Developer.

123. To date, no new construction (as distinct from demolition or remediation) contracted for in the AME Transactions has occurred. Throughout the course of the Parties' dealings, the Developer has been in breach of various contractual obligations, and failed to start any new construction, yet the Bishop and Reverend Wilson continued to steer properties to the Developer on a repeat basis.

Summary of Payments to Respondent

A. Payments to Reverend Wilson Personally

124. The Developer made the following payments directly to Reverend Wilson personally, none of which were disclosed by Reverend Wilson to the churches, to NYAC, to the First Episcopal District, to any Court, or to the Attorney General:

Date	Payer	Recipient	Amount
11/4/15	Harlem Development Fund LLC	Reverend Wilson	5,000.00
12/16/15	375 Pleasant Inc.	Reverend Wilson	5,000.00
5/12/16	1634 Dean LLC	Reverend Wilson	46,750.00
8/8/16	1634 Dean LLC	Reverend Wilson	10,000.00

9/10/17	Empire Development Fund 4 LLC	Reverend Wilson	75,000.00
1/24/18	1634 Dean LLC	Reverend Wilson	2,500.00
		TOTAL	\$144,250.00

125. The relevant Purchaser Entities issued Reverend Wilson IRS Forms 1099 for 2016 and 2017, totaling \$131,750, with a representation that the payments were for either “Nonemployee Compensation” or “Other Income”.

126. With respect to the AME Transactions, the Investigation found no evidence that Reverend Wilson provided services to the Developer or the entities that made the payments or issued the IRS Form 1099s beyond helping to facilitate those transactions within the AME Church.

Payments to the Brooklyn-Westchester District Misappropriated by Reverend Wilson

127. The Developer and his related business entities made two payments to the Brooklyn-Westchester District.

128. In addition, each relevant Developer entity paid 6% of the cash component of each closed transaction to the Third-Party Finder; the Third-Party Finder then paid 50% of that amount to the Brooklyn-Westchester District.

129. In making those payments to the Brooklyn-Westchester District, the Third-Party Finder believed that the payments to the Brooklyn-Westchester District were for the benefit of that entity and the churches in that geographic region.

Date	Payer	Recipient	Amount
1/26/16	Developer	Brooklyn-Westchester District	5,000.00
4/16/16	Third-Party Finder	Brooklyn-Westchester District	1,600.00

6/6/16	Third-Party Finder	Brooklyn-Westchester District	14,875.00
7/7/16	Third-Party Finder	Brooklyn-Westchester District	3,000.00
8/4/16	Third-Party Finder	Brooklyn-Westchester District	500.00
10/7/16	Third-Party Finder	Brooklyn-Westchester District	11,900.00
1/27/17	Third-Party Finder	Brooklyn-Westchester District	16,950.00
6/7/17	Empire Development X LLC	Brooklyn-Westchester District	80,100.00
6/7/17	Third-Party Finder	Brooklyn-Westchester District	10,400.00
9/11/17	Third-Party Finder	Brooklyn-Westchester District	12,500.00
		TOTAL:	\$156,825.00

130. Reverend Wilson exercised complete authority and control over funds held for the benefit of the Brooklyn-Westchester District and routinely transferred funds between those accounts and his personal accounts, or wrote checks out of that account for personal expenses, with no oversight, accounting, or reconciliation.

131. The Investigation determined that the full amount of those payments to the Brooklyn-Westchester District benefited Reverend Wilson personally.

Resolution with the Developer to Provide Restitution/Remedial Options

132. Each of the five AME Transactions were development deals that consisted of multiple component parts, which made up the total consideration for the deal. These components were agreed to by contract, which was the fundamental basis for the Verified Petition that was reviewed and approved by the OAG and the Court.

133. Each purchase price typically included a cash component that was relatively small in relation to the overall purchase price; payoff of liens and encumbrances, other transaction fees

and debts; renovation or construction of a new sanctuary; a corresponding new church unit, and frequently, residual payments or other income streams to the church that were due monthly for many years into the future commencing when the new building is complete. Each transaction had scheduled dates for the different phases of construction, and many had provisions for the payment by the Developer of rent or relocation fees for the period of time that the church was displaced from its property.

134. None of the five AME Churches has received the full benefit of the bargain they made with the Developer, despite that the Developer and/or his related business entities hold title to the church properties with the exception of Bethel Tabernacle AME. In that transaction, the Purchaser Entity received a 99-year ground lease and thus has almost complete control of the property. Demolition of the former houses of worship has taken place at St. John AME and Ebenezer AME, but as of the date of this Assurance, the construction sites are empty lots.

135. The Assurance of Discontinuance reached with the Developer required the Developer to provide restitution to each of the affected churches based upon his failure to perform and as a result of his participation in prohibited related party transactions.

136. Respondent submitted a Personal Financial Statement, dated as of August 27, 2021, to the OAG documenting and certifying his financial circumstances under penalty of perjury.

CONCLUSIONS OF LAW

137. At all times relevant hereto and continuing through and including the date of this Assurance, Reverend Wilson owed fiduciary duties as a de facto officer and Key Person of NYAC and as the Presiding Elder of the Brooklyn-Westchester District, as well as a Key Person

to all AME Churches under his authority, power, control, and influence, expressly conferred by the Bishop on Reverend Wilson.

138. By engaging in the conduct described above, including the solicitation and/or receipt of undisclosed payments from the Developer and the Developer's related entities, which Reverend Wilson intentionally concealed, Reverend Wilson breached his fiduciary obligations pursuant to N-PCL §717, and failed to discharge his duties as a de facto officer or Trustee of NYAC, the Presiding Elder of the Brooklyn-Westchester District with exclusive control of the Brooklyn-Westchester District's bank accounts, and to all AME Churches over which he exerted authority, power, control, and influence, in that he failed to discharge his duties with the degree of care, skill, prudence, diligence and undivided loyalty required of him.

139. Reverend Wilson's breaches of fiduciary duty included:

- (a) failing to disclose to and intentionally concealing from NYAC, the Quarterly Conference, and the AME Churches and their congregants under his authority, power, control, and influence, that he was receiving financial benefits from the Developer;
- (b) failing to ensure adequate internal controls existed for the disposition and management of the charitable assets of the Brooklyn-Westchester District, which were under his sole custody and control;
- (c) diverting assets intended for the benefit of the Brooklyn-Westchester District for his own personal use;
- (d) directing and causing each of the AME Churches to enter into prohibited related party transactions with the Developer and the Developer's related

- entities, without disclosing his financial relationship with the Developer or the financial benefit he would receive when those transactions closed;
- (e) causing false documentation to be submitted to OAG and the Court via resolutions that purported to reflect approvals of the AME Transactions by NYAC, although certain of those approvals had not been properly obtained;
 - (f) causing false documentation to be submitted to OAG and the Court averring that the AME Transactions were arms-length when they were not;
 - (g) failing to perform any due diligence on the Developer or the Developer's related entities;
 - (h) continuing to steer transactions to the Developer despite knowledge of the Developer and the Developer's related entities' failure to perform on existing deals;
 - (i) failing to take steps to adequately protect or advocate for the AME Churches under his oversight to redress the Developer's failure to perform, including the Developer's unilateral changes to material contract terms at or post-closing, the Developer's failure to pay rent, relocation, and other penalty payments which he was contractually obligated to make, the Developer's failure to provide performance bonds and/or letters of credit where required by OAG or the Court, and failing to properly address concerns raised by churches and clergy about the Developer's non-performance; and

- (j) during the time he was supposed to be working full-time and with undivided loyalty to the AME Churches under NYAC's auspices, simultaneously working on the Developer's behalf without disclosing to and receiving approval from NYAC's Board of Trustees.

140. Accordingly, Reverend Wilson is liable under N-PCL §720(a)(1) to account and pay restitution and/or damages, including the return of salary he received while breaching his fiduciary duties to NYAC and to the Brooklyn-Westchester District, plus interest at the statutory rate of 9%, for his conduct in the neglect and violation of his duties in the management and disposition of NYAC's charitable assets and in causing loss and waste of those assets by his breaches of fiduciary duty.

141. Section 8-1.4(m) of the EPTL authorizes the Attorney General to institute appropriate proceedings to secure the proper administration of any not-for-profit corporation organized under the laws of this State for charitable purposes.

142. Reverend Wilson, in his capacity as the Presiding Elder of the Brooklyn-Westchester District was a trustee pursuant to EPTL Section 8-1.4 because he held and administered property for charitable purposes in the State of New York.

143. As set forth in paragraphs 1 - 142 above, Reverend Wilson failed to administer the charitable assets entrusted to his care properly and, as a result, should be ordered to account for his breaches and to make restitution and/or pay damages, plus interest at the statutory rate of 9%. In addition, Reverend Wilson should be permanently barred from serving as an officer, director or trustee of any not-for-profit or charitable organization incorporated or authorized to conduct business in the State of New York. The foregoing restriction shall not apply to a purely pastoral or spiritual role in any not-for-profit or charitable organization.

144. N-PCL §715 (a) states that:

No corporation shall enter into any related party transaction unless the transaction is determined by the board, or an authorized committee thereof, to be fair, reasonable and in the corporation's best interest at the time of such determination. Any director, officer or key person who has an interest in a related party transaction shall disclose in good faith to the board, or an authorized committee thereof, the material facts concerning such interest.

145. N-PCL §715 (b) states:

With respect to any related party transaction involving a charitable corporation and in which a related party has a substantial financial interest, the board of such corporation, or an authorized committee thereof, shall:

- (1) Prior to entering into the transaction, consider alternative transactions to the extent available;
- (2) Approve the transaction by not less than a majority vote of the directors or committee members present at the meeting; and
- (3) Contemporaneously document in writing the basis for the board or authorized committee's approval, including its consideration of any alternative transactions.

146. N-PCL §715 (f) states:

The attorney general may bring an action to enjoin, void or rescind any related party transaction or proposed related party transaction that violates any provision of this chapter or was otherwise not reasonable or in the best interests of the corporation at the time the transaction was approved, or to seek restitution, and the removal of directors or officers, or seek to require any person or entity to:

- (1) Account for any profits made from such transaction, and pay them to the corporation;
- (2) Pay the corporation the value of the use of any of its property or other assets used in such transaction;
- (3) Return or replace any property or other assets lost to the corporation as a result of such transaction, together with any income or appreciation lost to the corporation by reason of such transaction, or account for any proceeds of sale of such property, and pay the proceeds to the corporation together with interest at the legal rate; and

(4) Pay, in the case of willful and intentional conduct, an amount up to double the amount of any benefit improperly obtained.

147. Reverend Wilson and the Developer participated in prohibited related party transactions, in violation of N-PCL § 715(f).

148. By virtue of the Bishop's deputization of Reverend Wilson in connection with negotiating and facilitating the AME Transactions, Reverend Wilson exercised authority, power, control, and influence as both a de facto officer of NYAC and as a Key Person, over the AME Churches involved in the AME Transactions, as well as the Brooklyn-Westchester District, the relevant Quarterly Conferences under his supervision, and NYAC, to consider and approve transactions with the Developer and the Developer's related entities in which he had a substantial financial interest without disclosing his interest therein, and without obtaining authorization from the majority of the disinterested members of the Board that the transactions were fair, reasonable, and in each church's best interest at the time of the transaction.

149. Reverend Wilson was present at numerous NYAC meetings and failed to recuse himself from deliberations or voting by NYAC or the Quarterly Conference relating to the related party transactions in which he had an interest, in violation of N-PCL § 715(h).

150. Reverend Wilson had a substantial financial interest in the AME Transactions because he personally received from the Developer \$144,250 in payments, plus additional amounts diverted from the Brooklyn-Westchester District, contemporaneous with ensuring approval of those transactions.

151. Reverend Wilson's conduct was willful and intentional with respect to these transactions in that as a de facto officer of NYAC, and as a Key Person with authority, power, control, and influence, over the relevant Quarterly Conferences and the AME Churches,

Reverend Wilson authorized or caused to be authorized what were supposed to be arms-length sale transactions to the Developer with full knowledge of the personal financial benefits he was receiving from the Developer at the same time.

152. By the foregoing acts, Reverend Wilson is liable under N-PCL § 112(a)(10) to pay damages and other appropriate remedies, in law or equity, and under N-PCL § 715(f) to pay restitution, and to (a) account for any profits made from the transactions and pay those profits to NYAC and/or the AME Churches; (b) return the assets lost to NYAC and/or the AME Churches as a result of these transactions, together with any income or appreciation lost to NYAC or the AME Churches by reason of such transaction; (c) pay NYAC and/or the AME Churches the value of the use of the charitable assets used in these transactions; and (d) pay an amount up to double the amount of the benefit improperly obtained.

153. The OAG finds the relief and agreements contained in this Assurance are appropriate and in the public interest. THEREFORE, the OAG is willing to accept this Assurance pursuant to Executive Law § 63(15), in lieu of commencing a statutory proceeding for violations of N-PCL §§ 112(a)(1), 706, 714, 715, 717, and 720, and EPTL § 8-1.4, based on the conduct described above during 2015 to 2020.

IT IS HEREBY UNDERSTOOD AND AGREED, by and between the Parties:

RELIEF

154. OAG finds that Respondent's actions violated his statutory obligations as set forth above.

155. Pursuant to N-PCL §§ 706 and 714 and EPTL § 8-1.4, Reverend Wilson will step down from all director or officer positions involving the oversight of any charitable assets with any New York charitable or not for profit entity, effective as of the date of this Assurance. The

foregoing shall not apply to any purely pastoral, ministerial, or spiritual role Reverend Wilson currently holds.

156. In addition, Reverend Wilson:

- (a) Shall not be employed by any charitable or not for profit organization in New York in any fiduciary capacity with respect to any charitable asset(s) and/or otherwise have any direct or indirect custody or control with respect to any charitable asset(s). The foregoing shall not apply to any purely pastoral, ministerial, or spiritual role with such entity; and
- (b) Shall not hold any position or accept any appointment as an officer, director, trustee or other fiduciary position of any not-for-profit or charitable organization incorporated, registered, operating, or soliciting contributions in New York State and/or otherwise have any direct or indirect custody or control with respect to any charitable asset(s). The foregoing shall not apply to any purely pastoral, ministerial, or spiritual role with such entity.

157. Reverend Wilson shall not engage, or attempt to engage, in conduct in violation of any applicable laws, including but not limited to the N-PCL, the EPTL, and New York's Executive Law, and expressly agrees and acknowledges that any such conduct is a violation of the Assurance, and that the OAG thereafter may commence the civil action or proceeding contemplated in paragraph 159, in addition to any other appropriate investigation, action, or proceeding, and that evidence that the Assurance has been violated shall constitute prima facie proof of the statutory violations described in paragraph 153, pursuant to Executive Law § 63(15).

158. **Monetary Relief**

Respondent Melvin Wilson shall pay to the State of New York \$301,075 in restitution, representing the full amount that Respondent received from the Developer of \$144,250, plus the additional amount of \$156,825 intended by the Developer and the Third-Party Finder for the benefit of the Brooklyn-Westchester District, which funds Respondent improperly accessed over a period of time (the “Monetary Relief Amount”). However, in reliance upon representations made by Respondent in his Personal Financial Statement submitted to the OAG, and any related financial disclosure provided by Respondent, described in paragraph 136, the OAG agrees to suspend payment of \$101,075 from said Monetary Relief Amount, provided that Respondent makes timely payment of the unsuspended balance of \$200,000 (the “Suspended Judgment Amount”), on the following schedule:

(i) \$10,000 upon execution of this Assurance;

(ii) \$4,750 per quarter, to be paid on or before the 5th day of: January, April, July, and October of each calendar year, beginning on January 5, 2022, and continuing for a period of ten (10) years until payment is made in full.

(iii) If the Suspended Judgment Amount is paid in full within the time-periods described above, the OAG will not seek payment of the suspended balance. Failure to pay the Suspended Judgment Amount in full within the time-periods described above is a default in payment under the terms of this Assurance and the OAG will file and enter judgment for the full Monetary Relief Amount, including the Suspended Judgment Amount balance, less any payments made prior to default, plus the collection fees and statutory costs described below, pursuant to the process described below.

(iv) Payments shall be made by certified check or bank draft, which shall be made payable to the “New York State Department of Law”, and shall reference Assurance No. 21-067; payments shall be addressed to the attention of Sharon Sash, State of New York, Office of the Attorney General, Charities Bureau, 28 Liberty Street, New York, New York 10005.

(v) To secure the payment described by this paragraph 158, Respondent will execute and deliver, at the time of the execution and delivery of this Assurance, the accompanying Affidavit for Judgment by Confession (attached hereto as Exhibit A), confessing judgment for the Monetary Relief Amount of \$301,075, plus collection fees of twenty two percent (22%) of any unpaid Monetary Relief Amount at the time of any subsequent default, plus statutory costs of \$15.00. The OAG will reduce the Monetary Relief Amount by the principal amount of payments made by Respondent to the OAG to calculate the unpaid Monetary Relief Amount at the time of any subsequent default.

(vi) Respondent agrees to renew the Affidavit for Confession of Judgment every three years until the Suspended Judgment Amount is paid in full.

(vii) In the event that Respondent fails to timely and properly make payment as required by this paragraph 158, the OAG shall provide Respondent with written notice, by first class mail, of such failure. If Respondent does not cure such failure within 30 days of the OAG’s written notice, the OAG may file and enter the applicable Affidavit for Judgment by Confession as a judgment against Respondent, at any time, and without further notice, for the balance owed pursuant to this Assurance at the time of default, less any payments made prior to default, plus the collection fees and statutory costs described above.

(viii) Respondent's misrepresentation of his financial circumstances shall constitute a default under this Assurance and the OAG may therefore file and enter judgment pursuant to the process described below. In the event that Respondent has misrepresented his financial circumstances by making a material misrepresentation in his Personal Financial Statement, or in any other related financial disclosure provided by Respondent, which served as a basis for Respondent's representation of an inability to pay, and the OAG's agreement to suspend payment of a portion of the Monetary Relief Amount and to allow Respondent to extend his payments over time, the OAG may, on thirty (30) days' written notice to Respondent by first class mail of its intent to file and enter judgment, file and enter the applicable Affidavit for Judgment by Confession as a Judgment against Respondent, at any time and without further notice, for the balance owed pursuant to this Assurance at the time of this default, including the suspended balance, less any payments made prior to default, plus the collection fees and statutory costs described above. The determination as to whether or not a material misrepresentation has been made by Respondent in his financial disclosure is within the sole discretion of the OAG.

MISCELLANEOUS

Subsequent Proceedings.

159. Respondent expressly agrees and acknowledges that the OAG may initiate a subsequent investigation, civil action, or proceeding to enforce this Assurance, for violations of the Assurance, for false statements by Respondent to induce this Assurance, or if the Assurance is voided pursuant to paragraph 166, and agrees and acknowledges that in such event:

a. any statute of limitations or other time-related defenses are tolled from and after the effective date of this Assurance;

b. the OAG may use statements, documents or other materials produced or provided by the Respondent prior to or after the effective date of this Assurance;

c. any civil action or proceeding must be adjudicated by the courts of the State of New York, and that Respondent irrevocably and unconditionally waives any objection based upon personal jurisdiction, inconvenient forum, or venue.

d. evidence of a violation of this Assurance shall constitute prima facie proof of a violation of the applicable law pursuant to Executive Law § 63(15).

160. If a court of competent jurisdiction determines that Respondent has violated the Assurance, the Respondent shall pay to the OAG the reasonable cost, if any, of obtaining such determination and of enforcing this Assurance, including without limitation legal fees, expenses, and court costs.

Effects of Assurance:

161. This Assurance is not intended for use by any third party in any other proceeding.

162. All terms and conditions of this Assurance shall continue in full force and effect on any successor, assignee, or transferee of Respondent. Respondent shall include any such successor, assignment, or transfer agreement a provision that binds the successor, assignee, or transferee to the terms of the Assurance. No party may assign, delegate, or otherwise transfer any of its rights or obligations under this Assurance without the prior written consent of the OAG.

163. Nothing contained herein shall be construed as to deprive any person of any private right under the law.

164. Any failure by the OAG to insist upon the strict performance by Respondent of any of the provisions of this Assurance shall not be deemed a waiver of any of the provisions

hereof, and the OAG, notwithstanding that failure, shall have the right thereafter to insist upon the strict performance of any and all of the provisions of this Assurance to be performed by Respondent.

Communications:

165. All notices, reports, requests, and other communications pursuant to this Assurance must reference Assurance No. 21-067, and shall be in writing and shall, unless expressly provided otherwise herein, be given by hand delivery; express courier; or electronic mail at an address designated in writing by the recipient, followed by postage prepaid mail, and shall be addressed as follows:

If to Respondent, to:

Marvin K. Pettus
Quintairos, Prieto, Wood & Boyer, P.A.
233 Broadway, Suite 2120
New York, New York 10279
marvin.pettus@qpwblaw.com

or if counsel is no longer representing Respondent, counsel agrees to forward any notice to Respondent and to so notify the OAG.

If to the OAG, to: Sharon Sash, Assistant Attorney General
Office of the Attorney General of the State of New York
28 Liberty Street
New York, NY 10005
E-Mail: sharon.sash@ag.ny.gov

or in her absence, to the person holding the title of Bureau Chief, Charities Bureau.

Representations and Warranties:

166. The OAG has agreed to the terms of this Assurance based on, among other things, the representations made to the OAG by Respondent and his counsel and the OAG's own factual investigation as set forth in paragraphs (1)-(153) above. Respondent represents and warrants that

neither he nor his counsel has made any material representations to the OAG that are inaccurate or misleading. Respondent represents and warrants that the payments and benefits listed in this Assurance reflect all remuneration he received from the Developer or the Third-Party Finder. If any material representations by Respondent or his counsel are later found to be inaccurate or misleading, this Assurance is voidable by the OAG in its sole discretion.

167. No representation, inducement, promise, understanding, condition, or warranty not set forth in this Assurance has been made to or relied upon by Respondent in agreeing to this Assurance.

General Principles:

168. Unless a term limit for compliance is otherwise specified within this Assurance, Respondent's obligations under this Assurance are enduring. Nothing in this Agreement shall relieve Respondent of other obligations imposed by any applicable state or federal law or regulation or other applicable law.

169. Respondent agrees not to take any action or to make or permit to be made any public statement denying, directly or indirectly, any finding in the Assurance or creating the impression that the Assurance is without legal or factual basis.

170. Nothing contained herein shall be construed to limit the remedies available to the OAG in the event that Respondent violates the Assurance after its effective date.

171. This Assurance may not be amended except by an instrument in writing signed on behalf of the relevant Parties to this Assurance.

172. In the event that any one or more of the provisions contained in this Assurance shall for any reason be held by a court of competent jurisdiction to be invalid, illegal, or

unenforceable in any respect, in the sole discretion of the OAG, such invalidity, illegality, or unenforceability shall not affect any other provision of this Assurance.

173. Respondent acknowledges that he has entered this Assurance freely and voluntarily and upon due deliberation with the advice of counsel.

174. This Assurance shall be governed by the laws of the State of New York without regard to any conflict of laws principles.

175. The Assurance and all its terms shall be construed as if mutually drafted with no presumption of any type against any party that may be found to have been the drafter.

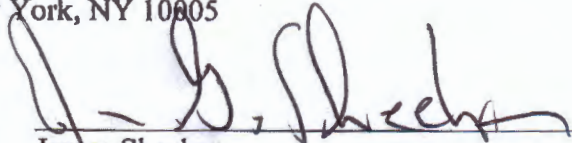
176. This Assurance may be executed in multiple counterparts by the parties hereto. All counterparts so executed shall constitute one agreement binding upon all parties, notwithstanding that all parties are not signatories to the original or the same counterpart. Each counterpart shall be deemed an original to this Assurance, all of which shall constitute one agreement to be valid as of the effective date of this Assurance. For purposes of this Assurance, copies of signatures shall be treated the same as originals. Documents executed, scanned, and transmitted electronically and electronic signatures shall be deemed original signatures for

purposes of this Assurance and all matters related thereto, with such scanned and electronic signatures having the same legal effect as original signatures.

177. The effective date of this Assurance shall be October 8, 2021.

LETITIA JAMES
Attorney General of the State of New York
28 Liberty Street
New York, NY 10005

By:


James Sheehan
Chief, Charities Bureau

MELVIN WILSON


Melvin Wilson

STATE OF New York)
COUNTY OF New York) ss.:

On the 8 day of October in the year 2021 before me, the undersigned, personally appeared Melvin E. Wilson, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual executed the instrument.

Sworn to before me this
8 day of October, 2021


NOTARY PUBLIC

MARVIN K. PETTUS
Notary Public, State of New York
No. 02PE4982865
Qualified in New York County
Commission Expires February 6, 2023