

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF ERIE

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THE PEOPLE OF THE STATE OF NEW YORK,
By LETITIA JAMES, Attorney General of the
State of New York,

Petitioner,

VERIFIED PETITION

-against-

HEALING FOR HEROES – A DISABLED
VETERAN’S RETREAT AND WOODED OASIS,
INC., THOMAS L. NELSEN, and
JENNIFER S. MILCHANOSKI NELSEN,

Index No.:

Respondents.

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Petitioner, the People of the State of New York, by their attorney, Letitia James, Attorney General of the State of New York (“OAG”, “Petitioner”, or “Attorney General”), respectfully alleges the following upon information and belief:

INTRODUCTION

1. Petitioner brings this special proceeding to obtain injunctive and monetary relief and to permanently enjoin Respondents’ deceptive, fraudulent, and illegal business practices in the operation of Healing for Heroes – a Disabled Veteran’s Retreat and Wooded Oasis, Inc. (“Healing for Heroes”), a New York charitable not-for-profit corporation. Petitioner also seeks the dissolution of Healing for Heroes due to the corporation conducting business in a fraudulent manner, soliciting donations in violation of New York law, and failing to secure the proper administration of the charitable assets.

2. Healing for Heroes claims to support disabled veterans by providing them with a free retreat style stay on a 30-acre wooded property jointly owned by the charity's Board President Thomas L. Nelsen ("Nelsen") and his wife, Board Secretary and Treasurer Jennifer S. Milchanoski Nelsen ("Milchanoski-Nelsen").

3. Through false advertising and improper solicitation of donations, Healing for Heroes has received at least \$93,091.88 in monetary donations between March 20, 2024 through September 19, 2025. Instead of using the charitable monetary donations for its stated mission of hosting retreats for disabled veterans, Healing for Heroes spent more than half of the donations on (a) utility bills, maintenance costs, and renovations to the property personally owned by Nelsen and Milchanoski-Nelsen and (b) its' board members' personal expenses such as meals, shopping, and vehicle repairs and gas. The only four veteran retreats held in 2024 and 2025 have been for the benefit of Healing for Heroes' board members and their friends. In contrast, the Nelsens have rented out their 30-acre wooded personal property on Airbnb on at least 32 different occasions in 2024 and 2025, pocketing the money, instead of donating 100% of the proceeds to Healing for Heroes, which is what their advertisements on the Airbnb platform state.

4. The Attorney General's investigation into the Respondents' business practices revealed a dysfunctional board of directors, self-dealing amongst the board members, lack of legally required board policies and procedures, and a failure of the charitable organization to maintain proper books and records.

JURISDICTION AND VENUE

5. Petitioner brings this special proceeding pursuant to New York Executive Law ("Executive Law") §§ 63(12) and Article 7-A; New York General Business Law ("GBL") Article

22-A; New York Not-for-Profit Corporation Law (“N-PCL”) §§ 112, 115, 720, and Article 11; and New York Estates, Powers and Trusts Law (“EPTL”) § 8-1.4.

6. Executive Law § 63(12) empowers the Attorney General to seek injunctive relief, restitution, damages and costs when any person or entity has engaged in repeated fraudulent or illegal acts, or has otherwise demonstrated persistent fraud or illegality in the carrying on, conducting or transaction of business.

7. Under Executive Law § 175(2), the Attorney General is authorized to bring a special proceeding against a charitable organization and any other person acting for it or in its behalf, to enjoin continuation of the solicitation or collection of funds; an order awarding restitution, damages, and costs; an order removing any director or person responsible for the violations; and dissolving the corporation when the charitable organization or other person has violated Article 7-A of the Executive Law and has engaged in repeated fraudulent or illegal acts in connection with solicitation or collection of charitable funds.

8. Executive Law § 177 empowers the Attorney General to revoke, suspend, or deny the registration of a charitable organization, direct the organization to cease and desist fund raising activities, and assess a civil penalty of up to \$1,000 for each violation of Article 7-A of the Executive Law and an additional penalty of up to \$100 a day for each day during which the violation continues.

9. GBL § 349 prohibits unfair, deceptive, and abusive business practices, and empowers the Attorney General to seek restitution and injunctive relief. GBL § 350 prohibits false advertising. GBL § 350-d empowers the Attorney General to seek civil penalties in the amount of up to \$5,000 for each violation of GBL Article 22-A.

10. N-PCL § 115(b) provides the Attorney General with authority to bring a special proceeding pursuant to N-PCL §112(a)(1), i.e. “to annul the corporate existence or dissolve a corporation that has acted beyond its capacity or power or to restrain it from carrying on unauthorized activities,” against any corporation that solicits contributions without being in compliance with the registration and reporting requirements of Article 7-A of the Executive Law and § 8-1.4 of the Estates, Powers and Trusts Law.

11. N-PCL § 720 empowers the Attorney General to compel the directors, officers, or key persons of a not-for-profit corporation to account for the “neglect of, or failure to perform, or other violation of his duties in the management and disposition of corporate assets committed to his charge” or “[t]he acquisition by himself, transfer to others, loss or waste of corporate assets due to any neglect of, or failure to perform, or other violation of his duties.”

12. Under Article 11 of the N-PCL, the Attorney General is authorized to bring an action to dissolve a not-for-profit corporation that has “carried on, conducted, or transacted its business in a persistently fraudulent or illegal manner” or where “the directors or members in control of the corporation have looted or wasted the corporate assets, have perpetuated the corporation solely for their personal benefit, or have otherwise acted in an illegal, oppressive, or fraudulent manner.” N-PCL §§ 1101(a)(2) and 1102(a)(2)(D).

13. New York law further provides the Attorney General with supervisory authority pursuant to the EPTL over “trustees for charitable purposes,” which includes “any individual, group of individuals, executor, trustee, corporation or other legal entity holding and administering property for charitable purposes” and “any non-profit corporation organized under the laws of this state for charitable purposes.” EPTL § 8-1.4. The Attorney General has the legal

authority to “institute appropriate proceedings... to secure the proper administration of any trust, corporation or other relationship to which the section applies.” EPTL § 8-1.4(m).

14. Venue is proper in Erie County because Petitioner is a resident in Erie County and has selected Erie County, and because Petitioner is bringing a special proceeding and Erie County is located within the eighth judicial district where the proceeding is triable. *See* CPLR §§ 503, 506, and 509. Due to the foregoing and in accordance with N-PCL § 1110, because Healing for Heroes’ office is located within the eighth judicial district, Erie County Supreme Court is the appropriate venue.

PARTIES

15. Petitioner is the People of the State of New York, by Letitia James, Attorney General of the State of New York.

16. Respondent Healing for Heroes is a New York not-for-profit charitable organization formed on March 20, 2024 with its principal place of business located at 4752 Slide Joslyn Road, Bemus Point, New York 14712.

17. Respondent Nelsen is a natural person residing at 4752 Slide Joslyn Road, Bemus Point, New York 14712.

18. Respondent Nelsen founded Healing for Heroes and is President, CEO, and Chairman of the Board of Directors for the organization.

19. Respondent Milchanoski-Nelsen is a natural person residing at 4752 Slide Joslyn Road, Bemus Point, New York 14712.

20. Respondent Milchanoski-Nelsen is the wife of Respondent Nelsen and also the Secretary and Treasurer of Healing for Heroes.

21. The original Board of Directors of Healing for Heroes was and continually consists of Respondent Nelsen, Respondent Milchanoski-Nelsen, and Vice President Kelly Carpenter (“V.P. Carpenter”).

FACTS

22. Healing for Heroes claims to be a not-for-profit charitable organization designed to support disabled veterans by providing a free retreat style stay on their 30-acre wooded property, located at 4752 Slide Joslyn Road, Bemus Point, New York 14712 (“the Property”).

23. The Property was purchased on December 19, 2022 by Respondents Nelsen and Milchanoski-Nelsen (the “Nelsens” or the “Nelsen Respondents”), as husband and wife. On the date of purchase, a \$241,500.00 V.A. guaranteed 30-year mortgage loan was simultaneously taken out by the Nelsens with lender Plaza Home Mortgage Inc.

24. On March 20, 2024, Healing for Heroes filed its Certificate of Incorporation with the NYS Department of State, stating that the purpose of its formation is:

...[F]or the civic and charitable purpose of providing our Nation’s Heroes, disabled Veterans, a free retreat style opportunity and sanctuary in a peaceful wooded setting; to connect with nature and experience the powerful healing effects. Thereby fostering new coping skills and the camaraderie that is only found in the company of other disabled Veterans.

(Campbell Aff. ¶ 4; Ex. A.)

25. On July 31, 2024, OAG received an anonymous complaint against Healing for Heroes stating that the charitable organization “seems questionable”, the “mission is vague”, and is not registered with New York State despite Kelly Carpenter, the “VP/COO” soliciting money from local businesses. (Campbell Aff. ¶ 6; Ex. B.)

26. On February 26, 2025, Joshua Larsen (“Larsen” or “Mr. Larsen”), former member of the Healing for Heroes’ Board of Directors, submitted a complaint to the OAG that Healing

for Heroes solicits donations from the public and the founder and president of the organization, Thomas Nelsen, (a) uses the money for his own benefit and not for that of veterans; (b) uses the Property as a for profit Airbnb and not its intended use which is to host veteran retreats; and (c) does not allow for the board to inspect the organization's books, records, or financials. Finally, Mr. Larsen stated that "not one veteran has been helped or has benefitted from the charity. Only the president and his wife that owns the property has benefitted." (Campbell Aff. ¶ 7.)

27. Based on the anonymous complaint and Mr. Larsen's complaint, the OAG initiated an investigation into Respondents' non-profit charitable operation and business practices.

28. The OAG served a subpoena on Healing for Heroes on August 15, 2025, pursuant to Executive Law §§ 63(12) and 172-d, NY GBL §§ 349 and 350, and/or any other applicable statutes. (Campbell Aff. ¶ 10; Ex. E.)

29. OAG's subpoena requested, among other things, documents concerning Healing for Heroes' formation and organization, board meeting minutes, financial statements, expenses, Airbnb information, and veteran retreats. (*Id.*)

30. On November 25, 2025, in response to OAG's subpoena, Respondents produced certain documents. (Campbell Aff. ¶ 11; Ex. F.)

31. On December 18, 2025, in response to OAG's subpoena, Respondents produced Healing for Heroes' President, Nelsen to testify on Healing for Heroes' behalf. (Campbell Aff. ¶ 14.)

Veteran Retreats

32. After Mr. Larsen resigned from the Board of Directors of Healing for Heroes and threatened to have his attorneys take legal action against the organization, Healing for Heroes

registered as a charitable organization with the OAG on May 1, 2025. (Larsen Aff., Ex. E; Campbell Aff. ¶ 8, Ex. C.) In its Registration Statement for Charitable Organizations, Healing for Heroes' charitable purpose is described as follows:

To serve and support disabled Veterans, and the Veteran community alike, by providing a free retreat style stay. We provide meals, lodging, programming, and activities centered around the outdoors and the healing powers of Nature.

(Campbell Aff., Ex. C.)

33. Nelsen testified that Healing for Heroes' veteran retreat-style stays are either overnight or multi-day at the Property for a maximum of three "single occupancy veterans" to participate. (Campbell Aff., Ex. J at pp. 92 – 93, 98.)

34. Nelsen testified that since March of 2024, while the Property is being occupied by Airbnb guests or participants of the retreats, he and Milchanoski-Nelsen reside in a motor home that sits on an RV pad, on the Property. (*Id.* at pp. 166 – 167.)

35. From Healing for Heroes' formation on March 20, 2024 until December 18, 2025, Nelsen testified that the organization has only held four veteran overnight retreats at the Property. (*Id.* at p. 110.)

36. In Fall of 2024, Healing for Heroes hosted what it considered to be its first veteran retreat style stay. This was a "four or five nights" deer hunting retreat in which Joshua T. – Nelsen's schoolmate/family friend who is a Marine Corps veteran residing in Long Island, participated. The Nelsens and V.P. Carpenter also participated in the retreat. (*Id.* at pp. 106 – 110.)

37. Healing for Heroes' second deer hunting veteran retreat held on the Property at the end of 2024 for two nights, was attended by the Nelsens, V.P. Carpenter, Joshua T., and Jeff

C. – a former Healing for Heroes’ board member who is also Nelsen’s family friend and an Air Force veteran. (*Id.* at pp. 111 – 114.)

38. The third overnight veteran retreat was a turkey hunt held on May 17 – 18, 2025. Participants included the Nelsens, V.P. Carpenter, Jeff C., and Jerome O. – a friend of the Nelsens and a Marine Corps veteran. (*Id.* at pp. 114 – 117.) Sponsors included Phil N’ Cindy’s Lunch, Ecklof Bakery & Deli, Tim Hortons, Foote Avenue, Ashville General Store, and Stedman Corners Coffee Roasters. (Davis Aff. ¶ 3(d); Ex. 1.)

39. Healing for Heroes hosted their fourth retreat on November 29 – 30, 2025, which was a father/son deer hunt. (Campbell Aff., Ex. J at p. 115.) Participants included the Nelsens; V.P. Carpenter; Chad E. – a current Healing for Heroes’ board member, Navy Veteran, Nelsen’s family friend, and owner of a local bakery; along with Chad E.’s son. Sponsors included a local bakery and pizzeria. (Davis Aff. ¶ 3(e); Ex. 1.)

40. The Nelsens held each of the four overnight veteran retreats at the Property for the benefit of their family, friends, and board members who also happened to be veterans. On at least one occasion, when veterans (that were not family, friends, or board members) expressed interest in Healing for Heroes’ veteran retreats, the Nelsens turned them away before they could apply. (Davis Aff. ¶ 9; Ex. 3; Campbell Aff., Ex. J at pp. 131 – 133.)

41. Despite only having four retreat-style stays at the Property within a two-year time frame, Nelsen states that Healing for Heroes “couldn’t afford the retreats.” (Campbell Aff., Ex. J at p. 95.)

42. The expenses of the overnight veteran retreat-style stays consist of meals, lodging at the Property, a house cleaner after the retreats, and incidentals. (*Id.* at p. 103.) However, the

meals are sponsored, the lodging is already paid for since the Nelsens own the Property, and Healing for Heroes receives a significant amount of monetary donations.

43. Due to the alleged unaffordability of the veteran retreats, Nelsen testified that Healing for Heroes shifted the charity's focus to "day programs." (*Id.* at p. 95.) The occasional day programs are held for a couple of hours at the Property and include events such as Free Pizza & Fire Night held on July 29, 2025, Coffee & Donuts held on September 11, 2025, Bonfire Night held on September 19, 2025, and BBQ Family Potluck held on October 12, 2025. Healing for Heroes incurs very miniscule costs for having these "day programs" because local restaurants provide food for the events. The "day programs" held in place of the overnight veteran retreats do not fulfill the charity's mission of providing disabled veterans with a "free retreat style stay."

44. It should be noted that Healing for Heroes ceased the overnight retreat style stays and shifted to "day programs" only after issuing a Cease-and-Desist letter dated June 24, 2025 to former board member, Mr. Larsen, stating that "[Mr. Larsen] repeatedly and falsely represented to third parties that the Charity is a "fraud" and a "scam," and that its leadership is using the organization for personal gain." (Campbell Aff. ¶ 9; Ex. D.)

False Advertising and Solicitation of Donations

45. Healing for Heroes began advertising and soliciting donations in 2024. (Campbell Aff., Ex. J at p. 194.) This was prior to registering as a charitable organization with the OAG on May 1, 2025.

46. Healing for Heroes primarily solicits donations through in-person outreach and tabling events; mailing donation letters to local veteran clubs and organizations; advertising on Airbnb.com; social media posts and website advertising; posting ads and written articles in the Chautauqua Gazette and The Villager newspapers; participating in radio and podcast interviews;

and advertisements in the Bemus Point Business Association Directory. (Campbell Aff., Ex. J at pp. 140 – 153, 193 – 197; 12/18/2025 Hearing, Ex. 12, 13, 20.)

47. In its advertisements and solicitations, Healing for Heroes does not disclose that a copy of their latest annual report is available upon request, nor do they list the OAG's Charities Bureau's website and phone number.

48. Since at least May of 2024, Healing for Heroes has placed donation jugs to collect money in 12 businesses throughout Chautauqua County. (Campbell Aff., Ex. J at pp. 180 – 184; 12/18/2025 Hearing, Ex. 16, 17.) These donation jugs are also present at tabling events. Healing for Heroes has a printed statement taped to the jug that states: "All donations go directly towards completing projects necessary to host Disabled Veterans for a retreat-style stay in Bemus Point." (Campbell Aff., Ex. J at pp. 190 – 191; 12/18/2025 Hearing, Ex. 19.)

49. Since May of 2024, Healing for Heroes has mailed postcards and letters to potential donors, stating the following:

Dear Business Owner/Manager/President or Commander,

I hope this letter finds you well. I'm writing on behalf of Healing for Heroes Inc., a recognized not-for-profit disabled Veterans charity located on a serene 30-acre wooded area in Bemus Point, New York. Our mission is to honor and uplift disabled Veterans by offering a peaceful retreat where they can reconnect with nature and themselves—free of charge.

Our vision is to create a healing sanctuary at our 3-bedroom, 2-bathroom lodge and additional future cabins, where Veterans can experience the therapeutic benefits of nature. The retreat will offer relaxation, decompression, and renewal through "woods therapy," meditation, animal therapy, and outdoor activities such as hiking, fishing, and other nature-based experiences. These natural therapies are powerful tools in helping Veterans heal physically, mentally, and emotionally.

We are reaching out to ask for your generous support in helping us realize this mission. Your donation—of any amount—will help us improve and expand our facilities and services. Contributions will go toward building materials, eco-friendly equipment, ADA-compliant upgrades, skilled labor, and nature-based therapy amenities. Your support will also help provide meals, transportation, and other necessities for our Veterans during their stay.

(Campbell Aff., Ex. J at pp. 194 – 197; 12/18/2025 Hearing, Ex. 20.)

50. Since January 28, 2023, the Nelsens have rented out the Property on Airbnb.com.

(Davis Aff. ¶ 6.) On Airbnb, there is a listing for the Property which is called “Paradise Lodge”.

As part of the Airbnb Property listing, the Nelsens have included the following statements:

Our Paradise Lodge directly supports a very important, Not for Profit Veterans charity that serves disabled Veterans and Veterans alike. Paradise Lodge donates 100% of its proceeds to support “Healing for Heroes – A Disabled Veteran’s Retreat and Wooded Oasis Inc.” in Bemus Point, NY.

Our Paradise Lodge Airbnb listing directly supports a critically important, Not for Profit, 501c3 Veterans charity that serves disabled Veterans and Veterans alike. ONE HUNDRED PERCENT (yes 100%) of ALL moneys taken in by our Airbnb listing goes directly to the charity to help offset the extreme financial burden of the high, yearly operations cost at “Healing for Heroes – A Disabled Veteran’s Retreat And Wooded Oasis Inc.501c3.”

(Campbell Aff., Ex. J at pp. 149 – 151; 12/18/2025 Hearing, Ex. 13.) Nelsen testified that

“[e]ver since [Healing for Heroes] incorporated as a charity in New York State,” he’s advertised on Airbnb that 100% of the Airbnb proceeds will go to Healing for Heroes. (Campbell Aff., Ex. J at p. 151.) From January 28, 2023 – August 4, 2025, the Nelsens received \$51,675.33 in income for renting out their Property on Airbnb. (Davis Aff. ¶ 8; Ex. 2.) During this time period, the Nelsens rented their Property on Airbnb on at least 51 different occasions, i.e. 19 Airbnb stays in 2023, 22 Airbnb stays in 2024, and 10 Airbnb stays during January 1, 2025 – August 4, 2025. (*Id.*)

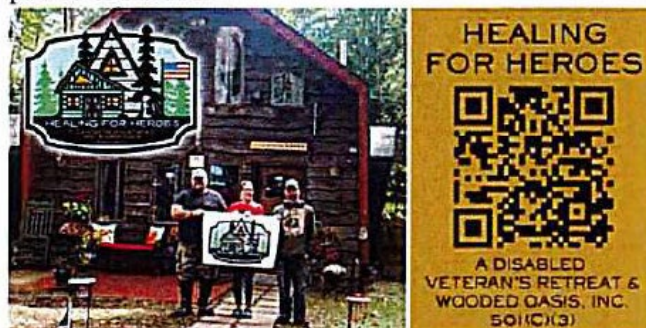
51. On several occasions prior to their 80s Night Fundraiser event held on February 8, 2025, Healing for Heroes posted a flyer on their Facebook page soliciting people to purchase \$15 tickets. (Davis Aff. ¶ 3(c); Ex. 1.) Healing for Heroes advertised that “100% of the ticket sales will benefit Healing for Heroes.” (*Id.*)



(*Id.*; Larsen Aff. ¶ 14.)

52. In 2025, Milchanoski-Nelsen applied to have Healing for Heroes advertised and listed as a business in the Bemus Point Business Association directory.

55 Healing For Heroes - 501(c)(3) 716-602-5414
www.healingforheroesbpny.com
 Healing For Heroes provides disabled Veterans, and Veterans alike, with free retreat-style stays on its 30-acre wooded property. Offering lodging, meals and programs centered on the outdoors & the healing power of nature.



Open All Year
 4752 Slide Joslyn Road, Bemus Point

COMMUNITY

(Campbell Aff., Ex. J at pp. 146 – 147; 12/18/2025 Hearing, Ex. 12.)

53. As discussed in the foregoing paragraphs, Healing for Heroes only held four retreat-style stays for the benefit of board members and their friends over the course of a two-year period, and as such did not fulfill the promises it advertised.

54. As a result of its advertisements and solicitations, Healing for Heroes received numerous donations in the form of cash, checks, Venmo deposits, tangible property, volunteer time, and professional expertise services. (Campbell Aff., Ex. J at pp. 174 – 176.)

Donations, Financial Records, and Volunteer Work

55. Healing for Heroes opened a non-profit checking account with M&T Bank on May 16, 2024 to begin depositing some of the check donations that it was receiving. (Davis Aff. ¶ 11; Ex. 4.)

56. Between May 16, 2024 and December 31, 2024, Healing for Heroes deposited \$7,757.00 in donations, into its M&T Bank non-profit checking account. (Davis Aff. ¶ 12; Ex. 5.)

57. Between January 1, 2025 and September 10, 2025, Healing for Heroes deposited \$35,112.72 in donations, into its M&T Bank non-profit checking account. (*Id.*)

58. Between August 18, 2024 and September 19, 2025, Healing for Heroes received Venmo donations totaling \$5,525.00 which was deposited into Milchanoski-Nelsen's personal checking account. (Davis Aff. ¶¶ 14 – 17; Ex. 6, 7.)

59. Nelsen states that cash donations and money from the donation jugs gets placed into a locked safe on the Property, which he calls a "bell jar account," operating similarly to a petty cash account. (Campbell Aff., Ex. J at pp. 177, 188.) Between June 10, 2024 and December 9, 2024, Healing for Heroes allegedly received \$8,885.00 in cash donations that were notated on a Petty Cash Chart. (*Id.* at pp. 185 – 189; 12/18/2025 Hearing, Ex. 18.)

60. However, not all of the cash donations that Healing for Heroes received were recorded on this chart. For example, former board member Joshua Larsen donated \$250.00 in cash to Healing for Heroes on November 2, 2024 and this was not noted on the Healing for Heroes' Petty Cash Chart. (*Id.*, Larsen Aff. ¶ 8.) Additionally, Healing for Heroes did not provide the OAG with any other records of cash donations received between the period of March 20, 2024 – June 9, 2024 or December 10, 2024 – present.

61. Between March 20, 2024 through at least August 4, 2025 (when the Nelsens ran Airbnb advertising stating that Paradise Lodge donates 100% of its proceeds to support Healing for Heroes), the Nelsens received \$33,312.16 in payments from renting out the Property on Airbnb.com. (Davis Aff., Ex. 2.) This money was deposited into Nelsen's personal checking account. (Davis Aff. ¶ 7.) According to its Airbnb advertisement, 100% of these Airbnb proceeds were to be donated to support Healing for Heroes. However, this money was not transferred into Healing for Heroes' M&T non-profit checking account.

62. On June 14, 2025, Healing for Heroes received a check for \$2,250.00 as one of the donation recipients of the 2025 PO-FI-VE Charity Golf Tournament, put on by the Rand Community Philanthropic Foundation. (Campbell Aff. ¶ 14; Ex. I.) Upon information and belief, this check was not deposited into Healing for Heroes' M&T Bank non-profit checking account.

63. A 2006 Kia Sportage was donated to Healing for Heroes and registered in the organization's name in approximately September of 2025. (Campbell Aff., Ex. J at pp. 32 – 33.)

64. Healing for Heroes received numerous donations in the form of materials and voucher coupons from a local home improvement store. (*Id.* at pp. 197 – 199; Larsen Aff. ¶ 13.)

65. On January 1, 2023, prior to its formation, Healing for Heroes received the following gifts: a 1999 Yamaha Grizzly 650 four-wheeler valued at \$2,700, a 2000 Yamaha Grizzly 650 four-wheeler valued at \$2,700, and a golf cart valued at \$2,000. (Campbell Aff., Ex. J at pp. 199 – 200; 12/18/2025 Hearing, Ex. 21.)

66. Local businesses donated items and money to be used for the benefit of veterans in the name of Healing for Heroes. For example:

- a. On or about March 3, 2025 and October 28, 2025, a photographer/videographer donated the cost of their services to create a flyover video drone and pictures of the Property;
- b. A small engine repairs shop donated the cost of service and labor to service all equipment and machines needed to maintain the Property;
- c. In May 2025, two restaurants each donated money and “gift certificates so that [Healing for Heroes] can bring Veteran’s in to feed them during their stay at [Healing for Heroes]”; and
- d. On or about September 22, 2025, a nonprofit land trust did a long-term loan of a skid steer to Healing for Heroes. That same day, a construction equipment supply company donated four new tires for the skid steer.

(Davis Aff. ¶¶ 3(f) – 3(i); Ex. 1.)

67. Despite receiving numerous monetary and tangible donations, the only revenue and income listed on Healing for Heroes’ statement of financial position and statement of activity for the year 2024 and January 1 – October 31, 2025, are the M&T Bank non-profit checking account deposits. (Campbell Aff., Ex. J; 12/18/2025 Hearing, Ex. 23.) The Venmo donations,

cash donations, Airbnb proceeds, and value of the tangible donations are not accounted for on Healing for Heroes' financial statements.

68. On its Statement of Activity for January – December 2024, Healing for Heroes reports receiving \$7,757.00 in donation income. (*Id.*) However, this does not include the \$8,885.00 in cash donations that were notated on its Petty Cash Chart for the period June 10, 2024 through December 9, 2024, the \$20,802.70 Airbnb proceeds received between March 20, 2024 and December 31, 2024 (to be donated to Healing for Heroes), nor any other cash donations received for the remainder of 2024. (*Id.* at pp. 185 – 189; 12/18/2025 Hearing, Ex. 18; Davis Aff., Ex. 2.) Thus, the 2024 Statement of Activity is inaccurate.

69. On its Statement of Activity for January 1 – October 31, 2025, Healing for Heroes reports receiving \$43,959.87 in donation income. (Campbell Aff., Ex. J; 12/18/2025 Hearing, Ex. 23.) Again, this does not include the cash donations, \$5,525.00 in Venmo donations deposited in Milchanoski-Nelsen's personal bank account specifically for Healing for Heroes, and the \$12,509.46 Airbnb proceeds (to be donated to Healing for Heroes) which were received between January 1, 2025 and August 4, 2025. (Davis Aff., Ex. 2, 7.) The addition of these amounts places the 2025 donation income received by Healing for Heroes well over \$60,000. Thus, the 2025 Statement of Activity is also inaccurate. Furthermore, Healing for Heroes' Form 990-N filed with the IRS for the tax period 2025 (i.e. 01/01/2025 – 12/31/2025) which states that the organization's gross receipts are not greater than \$50,000, is inaccurate. (Davis Aff. ¶ 18; Ex. 8.)

70. Nelsen continuously recruited volunteers with particular skill sets to renovate, fix up, and update the Property all in the name of Healing for Heroes and for the stated purpose of supporting the charity. (Borbe Aff. ¶¶ 11 – 12; Larsen Aff. ¶¶ 5 – 6.) Volunteers did work for

free with the intention that their work would be used to support disabled veterans, but instead the work was done to renovate the Property owned personally by the Nelsens.

71. Volunteers donated their time to renovate the bathroom and hallway flooring, build the back deck, cut down trees, chop wood, and complete maintenance projects around the Property. (Campbell Aff., Ex. J at pp. 213 – 215, 236 – 238; 12/18/2025 Hearing, Ex. 26.) Charitable donations were used to pay for these renovations to the Nelsens' personal Property.

Healing for Heroes' Expenses and Spending of the Charitable Donations

72. Healing for Heroes created the false impression that as a charitable organization, all donations received will be used to provide free retreat-style stays to disabled veterans. The charitable donations were instead used to pay for the renovations, maintenance, and upkeep of the Property owned by the Nelsens. The donations were also used to pay for board members' personal expenses such as gas and repairs to their personal vehicles, personal shopping expenses, and meals.

73. Between June 7, 2024 – August 29, 2025, Healing for Heroes spent approximately \$17,020.52 from its M&T Bank non-profit checking account on a combination of vehicle gas, Amazon purchases, shopping, restaurants, and utility bills for the Property. (Davis Aff. ¶ 19; Ex. 9.)

74. According to Healing for Heroes' Petty Cash Chart for the period June 10, 2024 through December 9, 2024, Healing for Heroes allegedly spent \$7,445.00 of the \$8,885.00 in cash donations on gas, food, vehicle expenses and repairs, and board member reimbursements. (Campbell Aff., Ex. J; 12/18/2025 Hearing, Ex. 18.) Only two of the \$7,445.00 worth of purchases during this time period were accompanied by a receipt.

75. With respect to expense approvals, Healing for Heroes' Board of Directors had an "honor system" with each board member deciding on their own whether their expense is a personal or business expense. According to Nelsen, he is not aware of any written policy concerning expense approvals:

We also use our personal discretion... I mean, if you're talking about an \$8 expense versus an \$80 expense, the \$8 expense would be pretty much discretionary on the board of officers, as you have a duty and responsibility as an officer on the board. If it's an \$80 purchase or an expense, that's something we would say, hey, hey board, let's look at this, talk about it, and let's decide what this is.

(Campbell Aff., Ex. J at pp. 221 – 222.)

76. According to its Statement of Activity for the period January – December 2024, Healing for Heroes spent \$7,094.87 in expenditures of the alleged \$7,757.00 check donation income deposited in its M&T Bank non-profit checking account. (Campbell Aff., Ex. J; 12/18/2025 Hearing, Ex. 23.) Of the \$7,094.87 in expenditures, the Statement of Activity states that \$7,082.08 was spent on supplies. (*Id.*)

77. According to its Statement of Activity for the period January 1 – October 31, 2025, Healing for Heroes spent \$33,383.16 of the \$43,959.87 check donation income deposited in its M&T Bank non-profit checking account. (*Id.*) According to the Statement of Activity, of the \$33,383.16 in expenses for January 1 – October 31, 2025, \$9,355.55 was spent on program expenses, \$9,485.74 was spent on supplies, \$4,244.29 was spent on repairs and maintenance presumably to the Property, and \$4,018.05 was spent on utilities at the Property. (*Id.*)

78. While Nelsen appears to equate donations to fix up and maintain the Property as being donations to charity, Healing for Heroes does not own the Property and has no interest in any improvements made to the Property. (Campbell Aff., Ex. J at pp. 239 – 242.)

79. During his testimonial hearing, Nelsen frequently referred to a letter dated January 1, 2023 which is addressed from him and Milchanoski-Nelsen to the Board of Directors of Healing for Heroes stating that they wish to:

... formally document [their] intention to donate the use of the real property, buildings, and resources located at 4752 Slide Joslyn Road, Bemus Point, NY 14712 to Healing for Heroes. This donation... is being made through December 31, 2025, at a cost of zero dollars to Healing for Heroes... In lieu of rent, Healing for Heroes will be obligated to pay the utilities and maintenance associated with the property.

(Campbell Aff. ¶ 12; Ex. G.) However, this letter is dated a year prior to formation of Healing for Heroes when there was no Board of Directors in place. Thus, the Healing for Heroes' Board of Directors could not vote on this letter back in 2023 nor could they agree to pay the utilities and maintenance associated with the Property. Furthermore, Healing for Heroes' use of the Property for the miniscule number of days spent hosting veteran retreats is not enough to warrant the organization paying the monthly utility bills and maintenance of the Property.

80. The Nelsens spent \$6,000 of the charitable donations to build a back deck on the Property. (Campbell Aff., Ex. J at pp. 213 – 215.)

81. On November 4, 2025, Healing for Heroes purchased a new 2025 John Deere tractor for approximately \$53,000. (*Id.* at pp. 242 - 245; 12/18/2025 Hearing, Ex. 27; Davis Aff. ¶ 3(j).) The purchase was financed with an approximately \$6,000 down payment and a \$600 monthly payment. (*Id.*) Nelsen states the purpose of the tractor is to clear snow off the Property grounds, landscaping, and property maintenance. (*Id.*)

82. Healing for Heroes has not held any veteran retreats for persons who are not board members or close friends of board members. Instead, most of the money from the charity has gone towards paying the monthly expenses and renovations of the Property owned by the Nelsens and the personal expenses of the board members.

Healing for Heroes' Board of Directors

83. Despite portraying itself as a charitable veteran's service organization, in reality, Healing for Heroes is an organization run by husband and wife, the Nelsens, that entirely ignores the governance and corporate requirements imposed by New York's not-for-profit laws. Up until recently, Healing for Heroes did not: have a functioning board of directors, hold consistent board meetings, have a conflict-of-interest policy, or maintain and produce proper books and records. As a result, tens of thousands of dollars in charitable donations were left unprotected and allowed to be misused and wasted.

84. Healing for Heroes' CHAR410 Registration Statement, filed with the OAG on May 1, 2025, identifies Nelsen as the organization's President, V.P. Carpenter as the Vice President, and Milchanoski-Nelsen as the Secretary and Treasurer. (Campbell Aff. ¶ 8; Ex. C.)

85. Healing for Heroes' bylaws were filed with the OAG on May 1, 2025. (*Id.*) Prior to the OAG's investigation, former board members advised that they were never given a copy of the organization's bylaws and weren't aware of their existence. (Larsen Aff. ¶ 7; Borbe Aff. ¶ 8.)

86. Healing for Heroes' bylaws state that the board of directors shall be composed of at least three directors. (Campbell Aff., Ex. J; 12/18/2025 Hearing, Ex. 4.) The Nelsens and V.P. Carpenter have been the three consistent Healing for Heroes' directors. Comprising the majority of the Board of Directors, the Nelsens and V.P. Carpenter directed Healing for Heroes' operations without proper oversight and management of the organization's conflicts and related party transactions that directly involved the three of them.

87. More than twenty months since it began conducting activity, Healing for Heroes' Conflict of Interest Policy was not signed and implemented by its Board of Directors until November 21, 2025. (*Id.* at Ex. 5, 6.) The Nelsens and V.P. Carpenter's apparent conflicts of

interest were not disclosed. Specifically, the Nelsens benefit from the charitable donations and volunteer time being used to improve the Property owned by them and V.P. Carpenter receives a salary for his work done around the Property.

88. In Healing for Heroes' recently implemented Conflict of Interest Policy, it states that all Related Party Transactions must be identified, a request form filled out, and a review and vote conducted by the Board of Directors to "confirm that the transaction is fair, reasonable and in the Corporation's best interest." (*Id.*)

89. On April 21, 2026, despite Healing for Heroes having paid the utilities on the Property owned by the Nelsens since March 2025, Healing for Heroes held a board vote to adopt a six-month lease agreement. (Campbell Aff. ¶ 16; Ex. K.) This board vote was conducted four months after Nelsen's testimonial hearing with the OAG. Three of the five directors were present, and three votes were in favor of Healing for Heroes leasing the Property from the Nelsens paying (a) \$200 a month for rent, (b) all utilities (i.e. electric, propane, internet, garbage, and water), and (c) maintenance and repair. (*Id.*) It can be assumed that V.P. Carpenter was one of the three directors present, despite him having an interest in the transaction since he receives monetary compensation for his work done around the Property. The lease does not provide Healing for Heroes with compensation for improvements made to the Nelsens' Property. Furthermore, it is not apparent from the April 21, 2026 Resolution whether the Board of Directors considered leasing any other properties for the few retreats Healing for Heroes holds, or reviewed information from other providers, in accordance with the Conflict of Interest Policy. The April 21, 2026 Resolution ultimately failed to address the basis for the Board of Directors' approval of the six-month lease agreement, i.e. what the directors did to assess the fairness, reasonableness, and best interests of Healing for Heroes' in this transaction.

90. When recruiting new board members, Healing for Heroes does not require prospective board members to complete a board member application, submit their resume, or be interviewed by the current board members. (Larsen Aff. ¶ 7; Borbe Aff. ¶ 8.) After being accepted onto the Board of Directors, board members do not have to undergo any board member training. (Campbell Aff., Ex. J at pp. 46 – 48.)

91. President Nelsen used the Healing for Heroes' board members to his advantage – to obtain more donations, produce volunteer work, and renovate/maintain his Property; all for the benefit of improving the Property which the Nelsens own and use for their personal benefit. (Larsen Aff. ¶ 9; Borbe Aff. ¶ 10.) Vice President Carpenter and Secretary/Treasurer Milchanoski-Nelsen would rubber stamp President Nelsen's decisions when it came to Healing for Heroes.

92. Healing for Heroes' board meetings were not held consistently, and the Board of Directors did not adequately oversee the activities of Healing for Heroes. Board members failed to exercise their fiduciary duty to provide oversight and control of the charitable not-for-profit corporation.

93. The Board of Directors for Healing for Heroes did not set any policies nor determine the direction, operations or acts of the charitable not-for-profit corporation. Healing for Heroes does not have any written criteria for the consideration, approval, monitoring, or distribution of the charitable donations, or protocols for assuring compliance with the organization's governing documents and charitable mission.

94. In the absence of a functioning board, Nelsen as President of the Board of Directors of Healing for Heroes, ran the charitable organization according to his whim, and breached his fiduciary duties of loyalty, care, and obedience, by:

- a. Not ensuring Healing for Heroes adheres to its bylaws and Conflict of Interest Policy; maintains compliance with New York law; or adheres to the OAG filing requirements.
- b. Not developing a strategic plan for Healing for Heroes (In response to OAG's subpoena, Healing for Heroes' counsel states, "Healing for Heroes does not yet have a strategic plan."). (Campbell Aff., Ex. F at ¶ 2.)
- c. Not managing his, Milchanoski-Nelsen, and V.P. Carpenters' conflicts of interests and related party transactions.
- d. Not acting in the best interest of the organization by ensuring that Healing for Heroes' donation income was not wasted.

95. As Secretary and Treasurer of the Board of Directors of Healing for Heroes, Milchanoski-Nelsen did not maintain proper books and records and breached her fiduciary duties of loyalty, care, and obedience by:

- a. Not consistently scheduling and notifying the Board of upcoming meetings well in advance and providing an agenda. (Larsen Aff. ¶ 18; Borbe Aff. ¶ 19.)
- b. Not recording, distributing, and archiving accurate and complete board meeting minutes for all board and committee meetings, ensuring they are reviewed and voted on for accuracy by board members at each subsequent board meeting. In response to OAG's subpoena, Respondents produced handwritten notes from some of the board meetings held between the time period 6/5/2024 – 11/24/2025. (Campbell Aff., Ex. H.) Former board members report not receiving and reviewing minutes from prior board meetings. (Borbe Aff. ¶ 19; Larsen Aff. ¶ 19.)

- c. Not managing assets prudently. The financial statements and the 2025 IRS Form 990-N do not reflect all of the income that Healing for Heroes received. The petty cash log exists only for a certain time period.
- d. Having Venmo donations and other donations deposited into her personal checking account.
- e. Not producing an accurate report of Healing for Heroes' financial state of affairs at the board meetings. "Chris [the accountant] does not produce profit and loss statements for each board meeting, no." (Campbell Aff., Ex. J at p. 70.)
- f. Not advising the board on financial strategy with respect to the annual budget of Healing for Heroes.

96. Although Healing for Heroes named V.P. Carpenter as Vice President of the Board of Directors, he did not actually perform the duties and responsibilities of a Vice President. According to Nelsen, V.P. Carpenter's duties were to supervise and coordinate volunteers, secure funding and donations, and operate as the maintenance manager of the Property. (Campbell Aff., Ex. J at pp. 36 – 37.) All in all, V.P. Carpenter's role was to ensure that the Property was renovated, fixed up, and maintained. V.P. Carpenter was also paid a salary from Nelsen for his work around the Property. (Campbell Aff., Ex. J at pp. 233 – 235; 12/18/2025 Hearing, Ex. 14.) In 2023, Nelsen paid V.P. Carpenter \$13,089.00 in Venmo transfers from his KeyBank personal checking account, which contained co-mingled Healing for Heroes' donation income. (Davis Aff. ¶ 20; Ex. 10.) In 2024, Nelsen paid Carpenter \$13,842.00. (*Id.*) Between January – August of 2025, Nelsen paid Carpenter \$5,380.00. (*Id.*)

97. The Nelsens breached their fiduciary care of loyalty to Healing for Heroes by deliberating and voting in March of 2025 on allowing Healing for Heroes to pay the utilities at the Property when they both had a clear conflict of interest as co-owners of the Property. (Campbell Aff., Ex. H.) They did not document their conflicts of interest in their handwritten board meeting notes. (*Id.*) Furthermore, they did not properly handle the April 21, 2026 related party transaction. (*Id.* at Ex. K.)

98. The Nelsens engaged in self-dealing by treating any charitable donations received by Healing for Heroes, as their own and making payments from Healing for Heroes' M&T Bank nonprofit checking account for numerous personal expenses.

**FIRST CAUSE OF ACTION
PURSUANT TO EXECUTIVE LAW § 63(12): FRAUD
(AGAINST ALL RESPONDENTS)**

99. Petitioner repeats and re-alleges all allegations contained in paragraphs 1 – 98 as though fully set forth herein.

100. Executive Law § 63(12) authorizes the Attorney General to bring a special proceeding when any person or entity engages in repeated fraudulent acts or persistent fraud in the operation of a business.

101. Respondents have repeatedly and persistently engaged in fraud in the carrying on, conducting or transaction of business, including renting out the Property on Airbnb and retaining the proceeds while claiming to use the proceeds for charitable purposes, operating Healing for Heros though misleading advertisements and misrepresenting that the purpose of their soliciting donations was to host disabled veterans at the Property for free retreat-style stays. Instead, only four retreat-style stays were held at the Property for the benefit of Respondent Nelsen's friends and board members. The charitable donations were used to pay for the

renovations, repairs, mortgage, property taxes, utilities, and maintenance of the Property owned by Respondents Nelsen and Milchanoski-Nelsen. The donations were also used to pay for board members' personal expenses such as gas and repairs to their personal vehicles, personal shopping expenses, and meals. Finally, volunteers were used to renovate, clean, and fix up the Property owned by Respondents Nelsen and Milchanoski-Nelsen.

102. By reason of the conduct alleged above, Respondents have violated Executive Law § 63(12) by engaging in repeated or persistent fraudulent conduct in the carrying on, conducting or transaction of their business.

**SECOND CAUSE OF ACTION
PURSUANT TO EXECUTIVE LAW ARTICLE 7-A –
VIOLATIONS OF §§ 172(1) AND 172-d(10):
FAILURE TO REGISTER AS A CHARITABLE ORGANIZATION
(AGAINST ALL RESPONDENTS)**

103. Petitioner repeats and re-alleges all allegations contained in paragraphs 1 – 98 as though fully set forth herein.

104. Executive Law § 172(1) requires every charitable organization to register with the Attorney General, prior to any solicitation.

105. Executive Law § 172-d(10) prohibits any person from engaging in charitable solicitation or other fund raising without being a registered charitable organization in compliance with the filing requirements for such registration.

106. On or about May of 2024, Respondents began soliciting donations for Healing for Heroes, which was prior to them registering with Petitioner as a charitable organization on May 1, 2025.

107. Accordingly, Respondents have violated Executive Law §§ 172(1) and 172-d(10) by engaging in charitable solicitations prior to registration with the Attorney General.

108. For violations of Executive Law §§ 172(1) and 172-d(10), pursuant to Executive Law §177, civil penalties can be imposed of up to \$1,000 per violation and an additional penalty of up to \$100 per day for each day the violation continues, in proceedings brought by the OAG for violations of Article 7-A of the Executive Law.

**THIRD CAUSE OF ACTION
PURSUANT TO N-PCL § 115(a)(2):
FAILURE TO REGISTER AS A CHARITABLE ORGANIZATION
(AGAINST ALL RESPONDENTS)**

109. Petitioner repeats and re-alleges all allegations contained in paragraphs 1 – 98 as though fully set forth herein.

110. N-PCL § 115(a)(2) states that no corporation may solicit contributions unless it is in compliance with the registration and reporting requirements of Article 7-A of the Executive Law and § 8-1.4 of the EPTL.

111. As set forth above, Respondents have violated N-PCL § 115(a)(2) by engaging in charitable solicitations prior to registration with the Attorney General.

112. For this violation, pursuant to N-PCL § 112(a)(1), Healing for Heroes' corporate existence may be annulled or the corporation dissolved for acting beyond its capacity or power.

**FOURTH CAUSE OF ACTION
PURSUANT TO EXECUTIVE LAW ARTICLE 7-A –
VIOLATIONS OF §§ 174-b AND 172-d(3):
ILLEGAL SOLICITATION OF DONATIONS
(AGAINST ALL RESPONDENTS)**

113. Petitioner repeats and re-alleges all allegations contained in paragraphs 1 – 98 as though fully set forth herein.

114. Executive Law § 174-b requires charitable organizations soliciting donations to include in any solicitation “a statement that upon request, a person may obtain from the organization or from the charities registry on the attorney general’s website, a copy of the last

financial report filed by the organization with the attorney general.” Additionally, all charitable organizations’ solicitations shall include a clear description of the programs and activities for which it has requested contributions and a statement identifying the website and telephone number of the OAG.

115. Executive Law § 172-d(3) prohibits the use or intent to use “false or materially misleading advertising or promotional material in connection with any solicitation.”

116. In its advertisements and solicitations, Respondents do not disclose that a copy of their latest annual report is available upon request, nor do they list the OAG’s Charities Bureau’s website and phone number.

117. Respondents have used or intended to use false and materially misleading advertising and promotional materials in connection with its solicitations by promising that 100% of the proceeds will go towards hosting disabled veterans for a retreat-style stay, when the donations were instead used for Respondents Nelsen and Milchanoski-Nelsen’s personal benefit.

118. Accordingly, Respondents have violated Executive Law §§ 174-b and 172-d(3) by failing to include the requisite solicitation disclosure statements and using false and materially misleading advertising in connection with its solicitations.

119. For these violations, pursuant to Executive Law §177, civil penalties can be imposed of up to \$1,000 per violation and an additional penalty of up to \$100 per day for each day the violation continues, in proceedings brought by the OAG for violations of Article 7-A of the Executive Law.

**FIFTH CAUSE OF ACTION
PURSUANT TO EXECUTIVE LAW § 172-d(2):
SCHEME TO DEFRAUD
(AGAINST ALL RESPONDENTS)**

120. Petitioner repeats and re-alleges all allegations contained in paragraphs 1 – 98 as though fully set forth herein.

121. Executive Law § 172-d(2) prohibits persons from engaging in “any fraudulent or illegal act, device, scheme, artifice to defraud or for obtaining money or property by means of a false pretense, representation or promise, transaction or enterprise in connection with any solicitation.”

122. Respondents produced misleading advertisements stating that the purpose of their soliciting donations was to host disabled veterans at the Property for free retreat-style stays. Instead, only four retreat-style stays were held at the Property for the benefit of Respondent Nelsen’s friends and board members. The charitable donations were used to pay for the renovations, maintenance, and monthly bills of the Property owned by Respondents Nelsen and Milchanoski-Nelsen. The donations were also used to pay for board members’ personal expenses. Finally, volunteers were used to renovate, clean, and fix up the Property owned by Respondents Nelsen and Milchanoski-Nelsen.

123. Accordingly, Respondents have engaged in a fraudulent scheme to defraud in violation of Executive Law § 172-d(2).

124. For these violations, pursuant to Executive Law §177, civil penalties can be imposed of up to \$1,000 per violation and an additional penalty of up to \$100 per day for each day the violation continues, in proceedings brought by the OAG for violations of Article 7-A of the Executive Law.

**SIXTH CAUSE OF ACTION
PURSUANT TO EXECUTIVE LAW § 172-d(4):
ILLEGAL APPLICATION OF CHARITABLE CONTRIBUTIONS
(AGAINST ALL RESPONDENTS)**

125. Petitioner repeats and re-alleges all allegations contained in paragraphs 1 – 98 as though fully set forth herein.

126. Executive Law § 172-d(4) provides that “no person shall... fail to apply contributions in a manner substantially consistent with the solicitation.”

127. As set forth above, Respondents’ failure to use charitable contributions in the manner described in their solicitation materials and in a manner substantially consistent with the charitable purposes of Healing for Heroes, constitutes violations of Executive Law § 172-d(4).

128. For these violations, pursuant to Executive Law §177, civil penalties can be imposed of up to \$1,000 per violation and an additional penalty of up to \$100 per day for each day the violation continues, in proceedings brought by the OAG for violations of Article 7-A of the Executive Law.

**SEVENTH CAUSE OF ACTION
PURSUANT TO EXECUTIVE LAW § 172-d(13):
FAILURE TO MAINTAIN BOOKS AND RECORDS
(AGAINST ALL RESPONDENTS)**

129. Petitioner repeats and re-alleges all allegations contained in paragraphs 1 – 98 as though fully set forth herein.

130. Executive Law § 172-d(13) prohibits persons from failing to maintain books and records.

131. Respondents failed to maintain books and records in violation of Executive Law § 172-d(13).

132. For these violations, pursuant to Executive Law §177, civil penalties can be imposed of up to \$1,000 per violation and an additional penalty of up to \$100 per day for each day the violation continues, in proceedings brought by the OAG for violations of Article 7-A of the Executive Law.

**EIGHTH CAUSE OF ACTION
PURSUANT TO GBL § 349:
DECEPTIVE BUSINESS PRACTICES
(AGAINST ALL RESPONDENTS)**

133. Petitioner repeats and re-alleges all allegations contained in paragraphs 1 – 98 as though fully set forth herein.

134. GBL § 349 prohibits “[u]nfair, deceptive, or abusive acts or practices in the conduct of any business, trade or commerce or in the furnishing of any service in this state.”

135. As set forth in the preceding paragraphs, Respondents have engaged in a pattern of deceptive acts and practices in the conduct of business by:

- a. Soliciting donations without being registered with the Attorney General;
- b. Making false statements in solicitations and advertising materials by affirmatively representing that the charitable donations will be used “to serve and support disabled Veterans, and the Veteran community alike, by providing a free retreat style stay,” when in reality, only four veteran retreats were held, and funds do not go toward this purpose;
- c. Renting out the Property as an Airbnb and falsely claiming that 100% of the proceeds from would be used for charitable purposes;
- d. Violating requirements of the Executive Law which requires specific disclosures in all solicitation materials;

- e. Representing to volunteers that their work will be used to support disabled veterans when instead, volunteers were utilized to renovate and fix up the Property; and
- f. Claiming that Healing for Heroes will use all donations received to provide free retreat style stays for disabled veterans when the money was instead used to pay for the renovations and financial upkeep of the Property and for board members' personal expenses.

136. Accordingly, Respondents have engaged in deceptive acts and practices in violation of GBL § 349.

137. Pursuant to GBL § 350-d, civil penalties can be imposed of up to \$5,000 per violation in proceedings brought by the OAG for violations of GBL § 349.

**NINTH CAUSE OF ACTION
PURSUANT TO GBL § 350:
FALSE ADVERTISING
(AGAINST ALL RESPONDENTS)**

138. Petitioner repeats and re-alleges all allegations contained in paragraphs 1 – 98 as though fully set forth herein.

139. GBL § 350 declares unlawful “[f]alse advertising in the conduct of any business, trade or commerce or in the furnishing of any service in this state[.]” False advertising “means advertising, including labeling, of a commodity,... if such advertising is misleading in a material respect. In determining whether any advertising is misleading, there shall be taken into account (among other things) not only representations made by statement, word, design, device, sound or any combination thereof, but also the extent to which the advertising fails to reveal facts material in the light of such representations with respect to the commodity... to which the advertising

relates under the conditions prescribed in said advertisement, or under such conditions as are customary or usual.” GBL § 350-a.

140. As set forth above, Respondents have engaged in false advertising in violation of GBL § 350 by advertising in their letters mailed to prospective donors, materials on their donation jugs, online advertisements, and in their pitches at tabling and outreach events that all donations would be used to host disabled veterans for a free retreat-style stay at the Property. Instead, only four retreat-style stays were held at the Property for the benefit of Respondent Nelsen’s friends and board members. The charitable donations were used to pay for the renovations, maintenance, and monthly bills at the Property owned by Respondents Nelsen and Milchanoski-Nelsen. The donations were also used to pay for board members’ personal expenses. Respondents deceptively claimed that 100% of the proceeds from renting the Property on Airbnb would be used by Healing for Heros, when in fact those proceeds went to the Nelsens’ personal bank account.

141. Pursuant to GBL § 350-d, civil penalties can be imposed of up to \$5,000 per violation in proceedings brought by the OAG for violations of GBL § 350.

**TENTH CAUSE OF ACTION
PURSUANT TO N-PCL § 204:
CONDUCTING BUSINESS FOR FINANCIAL GAIN
(AGAINST ALL RESPONDENTS)**

142. Petitioner repeats and re-alleges all allegations contained in paragraphs 1 – 98 as though fully set forth herein.

143. N-PCL § 204 prohibits a not-for-corporation from engaging in activities for financial gain; however, it may do so if those activities support its other lawful activities.

144. As set forth above, Respondents Nelsen and Milchanoski-Nelsen solicited donations in the name of Respondent Healing for Heroes, and used the Healing for Heroes’ name

with a promise that 100% of the proceeds from renting out the Property as an Airbnb would be donated to the charitable organization, when the money was instead used for their own personal financial gain – to renovate and upgrade their personal Property and pay for their personal expenses. None of the income that Respondents Nelsen and Milchanoski-Nelsen received from Airbnb was donated to Healing for Heroes.

145. Accordingly, Respondents have violated N-PCL § 204.

146. For this violation, pursuant to N-PCL § 112(a)(1), Healing for Heroes' corporate existence may be annulled or the corporation dissolved for acting beyond its capacity or power.

**ELEVENTH CAUSE OF ACTION
PURSUANT TO EPTL § 8-1.4:
FAILURE TO SECURE THE ADMINISTRATION OF THE CHARITABLE ASSETS
(AGAINST RESPONDENT HEALING FOR HEROES)**

147. Petitioner repeats and re-alleges all allegations contained in paragraphs 1 – 98 as though fully set forth herein.

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

149. Healing for Heroes, a charitable not-for-profit corporation in New York, which solicits, receives, and administers charitable assets, was at all times a trustee pursuant to EPTL § 8-1.4(a)(2).

150. As detailed in preceding paragraphs, Respondent Healing for Heroes, which was governed by Respondents Nelsen and Milchanoski-Nelsen, who asserted control over its charitable assets, failed to secure the proper administration of the charitable assets in Healing for Heroes' possession and control in violation of EPTL § 8-1.4(m).

**TWELFTH CAUSE OF ACTION
PURSUANT TO N-PCL § 715-a AND EPTL § 8-1.9(d)(1):
FAILURE TO ADOPT A CONFLICT OF INTEREST POLICY
(AGAINST RESPONDENT HEALING FOR HEROES)**

151. Petitioner repeats and re-alleges all allegations contained in paragraphs 1 – 98 as though fully set forth herein.

152. N-PCL § 715-a provides that “the board shall adopt, and oversee the implementation of, and compliance with, a conflict of interest policy to ensure that its directors, officers and key persons act in the corporation’s best interest and comply with applicable legal requirements.”

153. EPTL § 8-1.9(d)(1) provides that “every trust shall adopt, and oversee the implementation of, and compliance with, a conflict of interest policy to ensure that its trustees, officers and key persons act in the best interest of the trust.” Healing for Heroes is a trust created solely for charitable purposes and Respondent Nelsen and Respondent Milchanoski-Nelsen are the key persons of the trust as described in the EPTL.

154. Despite conducting activity beginning on March 20, 2024 and registering with the Attorney General on March 1, 2025, Healing for Heroes did not adopt, oversee, or enforce a conflict of interest policy until November 21, 2025.

155. Accordingly Healing for Heroes violated N-PCL § 715-a and EPTL § 8-1.9(d)(1).

**THIRTEENTH CAUSE OF ACTION
PURSUANT TO N-PCL § 715-a:
FAILURE TO ADOPT A CONFLICT OF INTEREST POLICY
(AGAINST THE NELSEN RESPONDENTS)**

156. Petitioner repeats and re-alleges all allegations contained in paragraphs 1 – 98 as though fully set forth herein.

157. N-PCL § 715-a provides that “the board shall adopt, and oversee the implementation of, and compliance with, a conflict of interest policy to ensure that its directors, officers and key persons act in the corporation’s best interest and comply with applicable legal requirements.”

158. As directors and officers of the Board of Directors of Healing for Heroes, Respondent Nelsen and Respondent Milchanoski-Nelsen violated N-PCL § 715-a by not adopting, overseeing, and ensuring compliance with a conflict of interest policy.

**FOURTEENTH CAUSE OF ACTION
PURSUANT TO N-PCL § 715 AND EPTL § 8-1.9(c):
WRONGFUL RELATED PARTY TRANSACTION
(AGAINST THE NELSEN RESPONDENTS)**

159. Petitioner repeats and re-alleges all allegations contained in paragraphs 1 – 98 as though fully set forth herein.

160. Pursuant to N-PCL § 715 and EPTL § 8-1.9(c), Respondent Healing for Heroes is prohibited from entering into any related party transaction unless the transaction is determined and documented by the majority of the disinterested members of the Board or an authorized committee of the Board to be fair, reasonable, and in the corporation’s best interest at the time of the determination.

161. As directors and officers of Healing for Heroes, Respondents Nelsen and Milchanoski-Nelsen caused Respondent Healing for Heroes to enter into unlawful related party transactions when the Board of Directors voted to have Healing for Heroes pay the utility bills at the Property jointly owned by Respondents Nelsen and Milchanoski-Nelsen in March of 2025 and when the Board of Directors voted on April 21, 2026 in favor of Healing for Heroes leasing the Property from Respondents Nelsen and Milchanoski-Nelsen for six months paying (a) \$200 a

month for rent, (b) all utilities (i.e. electric, propane, internet, garbage, and water), and (c) maintenance and repair.

162. Despite Respondent Nelsen, Respondent Milchanoski-Nelsen, and V.P. Carpenter having a financial interest in the March of 2025 transaction, they failed to disclose this to any disinterested directors and participated in the voting and deliberations. Despite V.P. Carpenter having a financial interest in the April 21, 2026 transaction, he failed to disclose this to any disinterested directors, and V.P. Carpenter participated in the voting and deliberations.

163. Respondent Nelsen, Respondent Milchanoski-Nelsen, and V.P. Carpenter dominated Healing for Heroes' board, which failed to consider alternative transactions; contemporaneously document in writing the basis for approving the transactions; or determine that the transactions were fair, reasonable, and in the best interests of Healing for Heroes at the time of the transactions.

164. Respondents Nelsen and Milchanoski-Nelsen's conduct was willful and intentional with respect to these transactions.

165. By the foregoing acts and omissions, Respondents Nelsen and Milchanoski-Nelsen are liable under N-PCL § 715 and EPTL § 8-1.9(c).

**FIFTEENTH CAUSE OF ACTION
PURSUANT TO N-PCL § 715 AND EPTL § 8-1.9(c):
WRONGFUL RELATED PARTY TRANSACTION
(AGAINST RESPONDENT HEALING FOR HEROES)**

166. Petitioner repeats and re-alleges all allegations contained in paragraphs 1 – 98 as though fully set forth herein.

167. As detailed in preceding paragraphs, Respondent Healing for Heroes entered into unlawful related party transactions in violation of N-PCL § 715 and EPTL § 8-1.9(c). These transactions involved Healing for Heroes paying the utility bills at the Property jointly owned by

Respondents Nelsen and Milchanoski-Nelsen in March of 2025; and the Board of Directors voting on April 21, 2026 in favor of Healing for Heroes leasing the Property from Respondents Nelsen and Milchanoski-Nelsen for six months paying (a) \$200 a month for rent, (b) all utilities, and (c) maintenance and repair.

168. Healing for Heroes' board, or an authorized committee thereof, failed to consider alternative transactions; contemporaneously document in writing the basis for approving the transactions; or determine that the transactions were fair, reasonable, and in the best interest of Healing for Heroes at the time of transactions.

**SIXTEENTH CAUSE OF ACTION
PURSUANT TO EPTL § 8-1.4:
FAILURE TO SECURE THE PROPER ADMINISTRATION OF THE CHARITABLE
ASSETS
(AGAINST THE NELSEN RESPONDENTS)**

169. Petitioner repeats and re-alleges all allegations contained in paragraphs 1 – 98 as though fully set forth herein.

170. At all relevant times, Respondents Nelsen and Milchanoski-Nelsen are directors and officers of Healing for Heroes, dominate and control Healing for Heroes' Board, and have access and control of Healing for Heroes' charitable assets. In this capacity, Respondents Nelsen and Milchanoski-Nelsen are trustees pursuant to EPTL § 8-1.4(a)(1) because they hold and administer property for charitable purposes.

171. As detailed in preceding paragraphs, Respondents Nelsen and Milchanoski-Nelsen failed to properly administer the charitable assets of Healing for Heroes entrusted to their care by using their powers as officers and directors of Healing for Heroes to convert Healing for Heroes' funds for their own personal benefit; to cause Healing for Heroes to fail to properly administer its conflict of interest policy; and to dominate, control, and direct Healing for Heroes

to obtain private benefits for themselves, their friends, and certain other insiders in contravention of Healing for Heroes' bylaws and applicable laws.

172. As directors and officers of Healing for Heroes, Respondents Nelsen and Milchanoski-Nelsen failed to secure the proper administration of the charitable assets in Healing for Heroes' possession and control in violation of EPTL § 8-1.4(m).

**SEVENTEENTH CAUSE OF ACTION
PURSUANT TO N-PCL ARTICLE 7 -
VIOLATIONS OF N-PCL §§ 717(a), 719(a)(1), AND 720(a)(1):
BREACH OF FIDUCIARY DUTIES
(AGAINST THE NELSEN RESPONDENTS)**

173. Petitioner repeats and re-alleges all allegations contained in paragraphs 1 – 98 as though fully set forth herein.

174. N-PCL § 717(a) provides that directors, officers, and key persons of a not-for-profit corporation shall “discharge the duties of their respective positions in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.”

175. In violation of N-PCL § 717(a), Respondents Nelsen and Milchanoski-Nelsen failed to discharge their duties as officers and directors of Healing for Heroes with the degree of care, skill, prudence, diligence, and undivided loyalty required of them in that, among other things, they have (a) caused Healing for Heroes to make solicitation statements that are materially false and misleading; (b) failed to institute and maintain internal controls; (c) converted Healing for Heroes' donations for their own benefit and to pay the salary of the corporation's Vice President; and (d) dominated, controlled, and directed Healing for Heroes to obtain private benefit for themselves and their Property in contravention of Healing for Heroes' by-laws, conflict of interest policy, and applicable laws.

176. Additionally, Respondents Nelsen and Milchanoski-Nelsen are liable to Healing for Heroes under N-PCL § 719(a)(1) to the extent of injury suffered for “[t]he distribution of the corporation’s cash or property to members, directors or officers.”

177. Finally, Respondents Nelsen and Milchanoski-Nelsen are liable under N-PCL § 720(a)(1) to account and pay restitution and/or damages, including the return of Healing for Heroes’ donations converted for their own benefit while breaching their fiduciary duties to Healing for Heroes, plus interest at the statutory rate of 9% for their conduct in the neglect and violation of their duties in the management and disposition of Healing for Heroes’ charitable assets and in causing loss and waste of those assets by their breaches of fiduciary duty.

**EIGHTEENTH CAUSE OF ACTION
PURSUANT TO N-PCL §§ 112(a)(1) AND 1101(a)(2):
DISSOLUTION OF HEALING FOR HEROES
(AGAINST RESPONDENT HEALING FOR HEROES)**

178. Petitioner repeats and re-alleges all allegations contained in paragraphs 1 – 98 as though fully set forth herein.

179. Pursuant to N-PCL § 1101(a)(2), the Attorney General may bring an action for the dissolution of a corporation if the corporation has “carried on, conducted or transacted its business in a persistently fraudulent or illegal manner, or by the abuse of its powers contrary to public policy of the state has become liable to be dissolved.”

180. Healing for Heroes has operated in a persistently fraudulent and illegal manner by, among other things, illegally soliciting donations in violation of Executive Law Article 7-A; failing to timely register with the Attorney General as a charitable organization in violation of N-PCL § 115(a)(2); permitting its assets to be used for the personal benefit of its officers and directors in violation of N-PCL § 719(a)(1); failing to adopt and enforce a conflict of interest policy in violation of N-PCL § 715-a and EPTL § 8-1.9(d)(1); and conducting activities for

pecuniary or financial gain that are not in support of other lawful activities being conducted, in violation of N-PCL § 204.

181. As detailed in preceding paragraphs, Healing for Heroes and its individual trustees, as that term is used in the EPTL, failed to secure the proper administration of the charitable assets in their possession and control, and violated the duties of prudence in the management of charitable funds.

182. As a result of the foregoing, Healing for Heroes is in violation of N-PCL § 1101(a)(2) in that it has acted beyond its capacity by persistently disregarding the limitations in its certificate of incorporation and the law, and it has conducted its business in a persistently fraudulent and illegal manner, and abused its powers contrary to the public policy of the State of New York by operating without effective oversight or control by its Board of Directors.

183. Accordingly, this Court should dissolve Healing for Heroes pursuant to N-PCL § 1109(b)(1) and distribute its remaining and future assets to be applied to charitable uses consistent with the mission set forth in Healing for Heroes' certificate of incorporation, pursuant to N-PCL §§ 1115(a) and 1008(a)(15).

**NINETEENTH CAUSE OF ACTION
PURSUANT TO N-PCL §§ 112(a)(7) AND 1102(a)(2)(D):
DISSOLUTION OF HEALING FOR HEROES
(AGAINST RESPONDENT HEALING FOR HEROES)**

184. Petitioner repeats and re-alleges all allegations contained in paragraphs 1 – 98 as though fully set forth herein.

185. Under N-PCL § 112(a)(7), the Attorney General is authorized to maintain an action or special proceeding to enforce rights granted by statute to a director or officer of a charitable corporation.

186. Pursuant to N-PCL § 1102(a)(2)(D), directors or members, as authorized, may petition the court for judicial dissolution where the “directors or members in control of the corporation have looted or wasted the corporate assets, have perpetuated the corporation solely for their personal benefit, or have otherwise acted in an illegal, oppressive or fraudulent manner.”

187. Respondent Nelsen and Respondent Milchanoski-Nelsen, as directors in control of Healing for Heroes have looted or wasted the corporate assets, have perpetuated the corporation solely for their personal benefit, or have otherwise acted in an illegal, oppressive or fraudulent manner, all in violation of N-PCL § 1102(a)(2)(D).

188. Accordingly, this Court should dissolve Healing for Heroes pursuant to N-PCL § 1109(b)(1) and distribute its remaining and future assets to be applied to charitable uses consistent with the mission set forth in Healing for Heroes’ certificate of incorporation, pursuant to N-PCL §§ 1115(a) and 1008(a)(15).

**TWENTIETH CAUSE OF ACTION
PURSUANT TO EXECUTIVE LAW § 63(12): REPEATED ILLEGALITY:
VIOLATIONS OF ARTICLE 7-A OF THE EXECUTIVE LAW, N-PCL §§ 115(a)(2), 204,
AND ARTICLE 22-A OF THE GBL
(AGAINST ALL RESPONDENTS)**

189. Petitioner repeats and re-alleges all allegations contained in paragraphs 1 – 98 and 104 – 146 as though fully set forth herein.

190. Executive Law § 63(12) provides for relief upon petition by the OAG “whenever any person shall engage in repeated fraudulent or illegal acts or otherwise demonstrate persistent fraud or illegality in the carrying on, conducting or transaction of business.” Respondents have engaged in repeated illegal acts in the carrying on, conducting and transaction of business.

191. As set forth above, Respondents have violated Executive Law §§ 172(1), 172-d(2), 172-d(3), 172-d(4), 172-d(10), 172-d(13), 174-b, and N-PCL § 115(a)(2) by repeatedly and

persistently soliciting donations illegally; GBL §§ 349 and 350 by repeatedly and persistently engaging in deceptive business practices and false advertising; and N-PCL § 204 by repeatedly and persistently engaging in activities for financial gain.

192. Accordingly, Respondents have engaged in repeated and persistent illegality in violation of Executive Law § 63(12).

**TWENTY-FIRST CAUSE OF ACTION
PURSUANT TO EXECUTIVE LAW § 63(12): REPEATED ILLEGALITY:
VIOLATIONS OF ARTICLE 8 OF THE EPTL AND N-PCL § 715
(AGAINST RESPONDENT HEALING FOR HEROES)**

193. Petitioner repeats and re-alleges all allegations contained in paragraphs 1 – 98, 148 – 155, and 167 – 168 as though fully set forth herein.

194. Respondent Healing for Heroes has engaged in repeated illegal acts in the carrying on, conducting and transaction of business.

195. As set forth above, Respondent Healing for Heroes has violated EPTL § 8-1.4 by repeatedly and persistently failing to secure the administration of charitable assets; N-PCL § 715-a and EPTL § 8-1.9(d)(1) by repeatedly and persistently failing to adopt a conflict of interest policy; EPTL § 8-1.9(c) and N-PCL § 715 by repeatedly and persistently entering into wrongful related party transactions.

196. Accordingly, Respondent Healing for Heroes has engaged in repeated and persistent illegality in violation of Executive Law § 63(12).

**TWENTY-SECOND CAUSE OF ACTION
PURSUANT TO EXECUTIVE LAW § 63(12): REPEATED ILLEGALITY:
VIOLATIONS OF ARTICLE 8 OF THE EPTL AND ARTICLE 7 OF THE N-PCL
(AGAINST THE NELSEN RESPONDENTS)**

197. Petitioner repeats and re-alleges all allegations contained in paragraphs 1 – 98, 157 – 165, and 170 – 177 as though fully set forth herein.

198. The Nelsen Respondents have engaged in repeated illegal acts in the carrying on, conducting and transaction of business.

199. As set forth above, Respondent Nelsen and Respondent Milchanoski-Nelsen have violated N-PCL § 715-a by repeatedly and persistently failing to adopt a conflict of interest policy; N-PCL § 715 and EPTL § 8-1.9(c) by repeatedly and persistently entering into wrongful related party transactions; EPTL § 8-1.4 by repeatedly and persistently failing to secure the administration of charitable assets; and N-PCL §§ 717(a), 719(a)(1), and 720(a)(1) by repeatedly and persistently breaching their fiduciary duties as officers and directors of Healing for Heroes.

200. Accordingly, Respondent Nelsen and Respondent Milchanoski-Nelsen have engaged in repeated and persistent illegality in violation of Executive Law § 63(12).

WHEREFORE, Petitioner respectfully requests an order and judgment against Respondents as follows:

- A. Dissolving Healing for Heroes and directing that its remaining assets and any future assets be applied to charitable uses consistent with the mission set forth in the Healing for Heroes' certificate of incorporation pursuant to N-PCL §§ 112(a)(1), 112(a)(7), 1101(a)(2), 1101(a)(2)(D), and 1109(b)(1);
- B. Declaring that Healing for Heroes failed to properly administer its charitable assets;
- C. Declaring that Healing for Heroes has exceeded the authority conferred upon it by law, has carried on, conducted, or transacted its business in a persistently fraudulent or illegal manner, or has abused its powers contrary to the public policy of the State of New York, and determining, in the court's discretion, that it is in the interest of the

- public to dissolve Healing for Heroes pursuant to N-PCL §§ 112(a)(1), 112(a)(7), 1101(a)(2), 1101(a)(2)(D), 1109(b)(1), and C.P.L.R. § 3001;
- D. Declaring that directors in control of Healing for Heroes have looted or wasted Healing for Heroes' charitable assets, have perpetuated the corporation solely for their personal benefit, or have otherwise acted in an illegal, oppressive or fraudulent manner, and determining, in the court's discretion, to dissolve Healing for Heroes N-PCL §§ 112(a)(7), 1101(a)(2), 1101(a)(2)(D), 1109(b)(1), and C.P.L.R. § 3001;
- E. Enjoining Healing for Heroes, Thomas L. Nelsen, and Jennifer S. Milchanoski Nelsen from soliciting or collecting funds on behalf of Healing for Heroes or any other charitable organization operating in the State of New York pursuant to Executive Law § 175(2);
- F. Removing Thomas L. Nelsen for cause from his position as President, CEO, and Chairman of the Board of Directors for Healing for Heroes, and permanently barring his re-election or appointment as a Healing for Heroes officer or director pursuant to N-PCL §§ 706(d), 714(c), and 717, EPTL § 8-1.4, and Executive Law § 175(2);
- G. Removing Jennifer S. Milchanoski Nelsen for cause from her positions as Secretary and Treasurer for Healing for Heroes, and permanently barring her re-election or appointment as a Healing for Heroes officer or director pursuant to N-PCL §§ 706(d), 714(c), and 717 and EPTL § 8-1.4;
- H. Permanently barring Thomas L. Nelsen and Jennifer S. Milchanoski Nelsen from serving as officers, directors, or trustees of any not-for-profit or charitable organization incorporated or authorized to conduct business or solicit charitable

donations in the State of New York pursuant to EPTL § 8-1.4 and Executive Law § 175(2);

- I. Directing Thomas L. Nelsen and Jennifer S. Milchanoski Nelsen to account for their conduct in failing to perform their duties in managing Healing for Heroes' charitable assets; to pay full restitution to Healing for Heroes for the waste and misuse of its charitable assets; and to pay damages to Healing for Heroes arising from the breach of their fiduciary duties pursuant to N-PCL § 720 and EPTL §§ 8-1.4;
- J. Directing Thomas L. Nelsen and Jennifer S. Milchanoski Nelsen to pay Healing for Heroes restitution for all excessive, unreasonable, and excess benefits that were paid to them and unjustly enriched Thomas L. Nelsen and Jennifer S. Milchanoski Nelsen in violation of law and Healing for Heroes bylaws and policies;
- K. Enjoining, voiding or rescinding the related party transactions entered into or proposed by Respondents; directing Thomas L. Nelsen and Jennifer S. Milchanoski Nelsen to pay Healing for Heroes an amount up to double the value of each benefit improperly bestowed by such transactions pursuant to N-PCL § 715(f) and EPTL § 8-1.9(c)(4);
- L. Pursuant to Executive Law § 177, imposing a civil penalty of \$1,000 for each violation of Article 7-A;
- M. Pursuant to GBL § 350-d, imposing a civil penalty of \$5,000 for each deceptive act committed by Respondents;
- N. Pursuant to CPLR § 8303(a)(6), granting costs to the State of New York of \$2,000 against each Respondent;

- O. Authorizing Petitioner to docket as a money judgment any order issued by the Court on this motion fixing the amount of money owed by Respondents, including restitution, fines and motion costs, pursuant to CPLR § 2222; and
- P. For such other and further relief as the court deems just and proper.

Dated: August 12, 2026
Buffalo, New York

LETITIA JAMES
Attorney General of the State of New York
Attorney for Petitioner



PAULETTE C. CAMPBELL, ESQ.

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VERIFICATION

STATE OF NEW YORK)
)
 COUNTY OF ERIE) ss.:

PAULETTE C. CAMPBELL, being duly sworn, deposes and says, under penalty of perjury: She is an Assistant Attorney General in the office of Letitia James, Attorney General of the State of New York, and is duly authorized to make this verification.

She has read the foregoing petition and knows the contents thereof, and the same is true to her own knowledge, except as to matters therein stated to be alleged on information and belief, and as to those matters she believes them to be true.

The reason this verification is not made by Petitioner is that Petitioner is a body politic. The Attorney General is Petitioner's statutory representative.


 PAULETTE C. CAMPBELL

Sworn to before me this
12th day of August, 2026


 Assistant Attorney General
 Of the State of New York