



ALTIOREM
LEGAL SERVICES
SETTLEMENT DEMAND

[Month] [Day], [Year]

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RE: Settlement demand to The Michigan Conference of the Prominent Church | Case Number 1:23-cv-45678-JMB-MV

Dear Mr. Opposing Counsel,

We represent the plaintiff, Good Plaintiff (hereinafter, “**Plaintiff**”), corresponding to the issues at hand set forth under Case Number 1:23-cv-45678-JMB-MV in the Western District of Michigan United States District Court, which matter is brought against your client, The Michigan Conference of the Prominent Church (hereinafter, the “**Conference**”), who is one of the defendants in said matter. Said lawsuit is also made against the other defendants (although, you do not appear to be their counsel of record) implicated in said lawsuit corresponding to the same above-referenced case number, Branch of Church (hereinafter, the “**Branch**”), Mrs. Bad Embezzler (hereinafter, “**Embezzler**”), and Bad Pastor (hereinafter, “**Pastor**”), all of whom (the Conference, the Branch, Embezzler, and Pastor) are hereinafter jointly referred to as “**Defendants**.”

This *Settlement Demand* (hereinafter, this “**Demand**”) is made pursuant to Rule 408 of the Federal Rules of Evidence. As such, any communications about this matter are inadmissible to prove liability or damages in these proceedings. This Demand is for *settlement purposes only*.

The purpose of this Demand is to negotiate a settlement of the issues raised in Plaintiff's Complaint, an amended copy of which was filed on or about June 16, 2023. Specifically, Plaintiff's Complaint alleges that the Conference was involved in, with the other named defendants in the Complaint, conversion, civil financial fraud and racketeering; fraud, misrepresentation, and concealment; civil aiding and abetting of a breach of fiduciary duties; and unjust enrichment, regarding the embezzlement of the extensive trust funds (hereinafter, the "**Trust**") of Plaintiff's mother, which Plaintiff was entitled to receive as a beneficiary of the Trust. Furthermore, Plaintiff's Complaint seeks a permanent injunction against Defendants, including the Conference.

Plaintiff's purpose in writing this letter is not to litigate the issues via correspondence but to seek a reasonable resolution that will save both parties the mounting costs of litigation as we proceed with discovery. While Plaintiff appreciates that you and he may have to agree to disagree on the facts and legal issues involved, it is beneficial for Plaintiff to outline his position on liability and damages. Plaintiff is confident that his position will be supported by the discovery process and, if necessary, at trial.

I. SUMMARY OF FACTS

Plaintiff's Complaint alleges a severe case of embezzlement and laundering of funds from the Trust, spanning twenty-five years and involving more than **\$420,000.00**. The key tortfeasors, Embezzler, along with her co-conspirators, including the Conference, are implicated in embezzling these Trust funds, using the Branch—an institution wherein Embezzler is employed and holds a principal role—as a conduit. Furthermore, litigation instigated by Embezzler and Defendants resulted in legal expenses of over **\$240,000.00** for the Trust.

In a preceding incident, a similar action was initiated in Chippewa County, Michigan, where Plaintiff sued Embezzler for embezzling funds from the Trust. In response to Plaintiff's Motion for Reimbursement to the Trust of Trust Funds, a court order was issued on April 5, 2021, holding Embezzler liable for **\$38,375.00** in purported charitable donations. Based on this precedent, it is anticipated that the Court will again find Embezzler liable, albeit for a far more significant amount of damages, including the real possibility of Punitive and Exemplary Damages.

Another named defendant, Pastor, the pastor at the Branch, was instrumental in facilitating the laundering of funds through the Branch. As of the filing of the Complaint, the remaining Trust funds—exploited and embezzled—have been disbursed among its beneficiaries. The trustor, Mrs. Trustor (hereinafter, "**Trustor**"), died on May 26, 2020.

The embezzler, who held a significant position within the Trust and was granted additional powers through a Power of Attorney executed in 1996 by the Trustor, grossly misused these rights to her own gain. This purported misuse involved diverting funds from the Trust, thereby violating the fiduciary duties she owed to Mrs. Trustor and the other beneficiaries of the Trust. The co-conspirators—the Branch and Pastor, and under the doctrine of *Respondeat Superior*, the Conference—facilitated Embezzler's fraudulent and tortious actions.

While Mrs. Trustor was alive, Embezzler exploited Mrs. Trustor's vulnerability to embezzle the Trust's funds further. An examination of Embezzler's financial activities during this time,

considering she had no known source of income, compels the reasonable conclusion that she was primarily reliant on the misappropriated Trust funds.

Embezzler, in her dual role as trustee and agent under the Power of Attorney, grossly misused her position over a period of twenty-five years, resulting in substantial losses to the multi-million-dollar Trust. These Trust funds, if left untouched, would have significantly appreciated over the years. Small amounts under **\$250.00** were frequently and repeatedly dispersed as "donations" to the Branch and the Conference to avoid detection. These unauthorized donations were later returned by the Branch, at Pastor's direction, to Embezzler for her personal use. The Branch and Pastor also retained a portion of these Trust funds as compensation for their involvement in and facilitation of the fraudulent scheme.

Embezzler's unauthorized use of Trust funds, fraudulently mischaracterized as donations, was directly facilitated by the Branch, along with the knowing assistance of Pastor, resulting in a loss to the beneficiaries of the Trust, including Plaintiff. The unauthorized use of Trust was fraudulently mischaracterized by Embezzler, the Branch, and Pastor as charitable contributions, with the intent to mislead the beneficiaries and conceal the embezzlement. In an attempt to further hide her actions, Embezzler failed to maintain comprehensive financial statements or complete bank statements, instead providing inconsistent photocopied and handwritten checkbook ledgers.

Confidential Trust documents were misused to further embezzle the Trust's funds, which were intended to be accessed exclusively by the beneficiaries. Defendants converted the Trust's funds for their use, defrauding the beneficiaries. The embezzler's method involved a consistent pattern of embezzling small amounts to avoid detection and tax reporting. The misappropriated funds were deceitfully labeled as "charitable donations" and transferred to the Branch and Pastor without the knowledge or consent of the Trust's beneficiaries. At least a portion of these unauthorized donations was then later returned by the Branch and Pastor to Embezzler for her personal use.

Regarding the Trust's provisions, Section 5.01.3 clearly delineates the use of funds if the Trustor is deemed incompetent. According to this provision, Embezzler, as trustee, had no right to make donations from the Trust to any entity, including the Conference and the Branch. The Trust does not include any provisions for such contributions. Despite this, Defendants misappropriated over **\$420,000.00** of the Trust's funds through these unauthorized "charitable donations."

Plaintiff, a beneficiary of the Trust, only discovered the misappropriation upon initiating litigation against Embezzler and obtaining incriminating financial statements through court intervention. These documents fully support the recitation of alleged facts included herein. Before taking legal action, Plaintiff had complete trust in Embezzler, believing her actions were lawful and correct. Embezzlers exploit this trust. Plaintiff, unaware of the fraudulent activities, had never authorized any donations to any religious or nonprofit organization.

Over the course of twenty-five years, Embezzler, in collaboration with her associates, perpetrated a breach of trust by orchestrating a complex embezzlement scheme, misappropriating over **\$420,000.00** from the Trust under the guise of "charitable donations." Despite explicit provisions in the Trust's Section 5.01.3 forbidding such actions, Embezzler manipulated her dual roles as trustee and Power of Attorney holder, channeling these funds through the Branch with the

assistance of Pastor for personal gain. The precedent from Chippewa County, where Embezzler was previously held accountable for analogous misconduct, underscores the necessity for her and her accomplices to face full legal consequences, both to ensure justice for the beneficiaries and to deter similar transgressions in the future.

II. LIABILITY AND CLAIMS

As a preliminary matter, the Conference is liable for the wrongs described and the above-referenced causes of action under the doctrine of *Respondeat Superior*, as one of its affiliates and subsidiaries, the Branch, participated directly in the embezzlement of the Trust.

In addition, under the *Book of Discipline of The United Methodist Church*, the laws and principles that govern the denomination, "All properties of United Methodist local churches and other United Methodist agencies and institutions are held *in trust*, for the benefit of the entire denomination, and ownership and usage of church property is subject to the *Discipline*."¹ Given the "Trust Clause" of the Book of Discipline, all the property of the local church, the Branch, is held in trust for the Conference, thereby creating a vested interest in all of the Branch's properties, regardless of how they were acquired.

i. THE CONFERENCE'S LIABILITY UNDER THE DOCTRINE OF *RESPONDEAT SUPERIOR*

The Conference, through its connection with and supervisory role over its affiliate and subsidiary religious organization, the Branch, and the Branch's pastor, Pastor, is liable under the doctrine of *Respondeat Superior*, which holds an employer or principal legally responsible for the wrongful acts of its agents or employees, if such acts occur within the scope of employment or agency. The doctrine of *Respondeat Superior* has been extended to hierarchical denominations with control over local churches and subsidiary institutions.² Furthermore, a current case is making its way through the Michigan State court system that establishes the connection between the Michigan Conference and a member or subsidiary church.³

The Conference's denominational affiliate and subsidiary, the Branch, and its pastor, Pastor, facilitated the transfers of unauthorized and mischaracterized charitable donations, serving as a conduit for the stolen funds and thereby rendering them liable for the embezzlement. The complicity of the Branch and Pastor in Embezzler's fraudulent scheme and the resultant damage

¹ *The United Methodist Book of Discipline* § 2501, subpara. 1 (2016).

² *See Barr v. United Methodist Church*, 153 Cal. Rptr. 322 (1979), cert. denied, 444 U.S. 973 (1979) (holding that the United Methodist Church was a hierarchical denomination with control over local churches and subsidiary institutions, ranging from restrictions on the purchase or sale of property to the selection of local church pastors. Such control, observed the court, made United Methodist Church responsible for the liabilities of its affiliated churches and subsidiary institutions); *see also A.H. v. Church of God in Christ*, 831 S.E.2d 460 (Va. 2019). (determining that the plaintiff stated legally viable claims of negligence and *Respondeat Superior* against the church defendants, based on the special relationship between them and the deacon, and the foreseeability of the harm to the plaintiff.).

³ *See Doe v. First United Methodist Church of Flint et al.*, filed in the Genesee County Circuit Court in Michigan on April 14, 2021.

to the Trust's beneficiaries establish a clear basis for liability against the Conference under the doctrine of *Respondeat Superior*.

Firstly, it is undeniable that the Branch and Pastor were agents or employees of the Conference when the wrongs were committed against the Trust. Secondly, the actions of the Branch and Pastor fall within the "scope of employment" in that they are related to the duties subject to the control and oversight of the Conference or were reasonably foreseeable as a consequence of such oversight and control.⁴

In the context of this case, Pastor, as a pastor at the Branch, indisputably participated in the embezzlement and money laundering scheme. Embezzler funneled the misappropriated Trust funds through the Branch, with Pastor facilitating the transactions and their redistribution back to Embezzler. As such, their actions significantly contributed to the overall scheme of embezzlement and misrepresentation of funds as charitable donations.

Several factors argue for the assertion that these actions were within the scope of the employment, agency, or control of the Conference, including the following:

- A. Job Duties:** As a pastor for the Branch, a denominational affiliate and subsidiary of the Conference, Pastor was responsible for handling and managing donations and funds provided to the Branch. These tasks involved receiving, recording, and managing the money given to the Branch. Even if Pastor's primary role was not financial management, these duties fell within the ambit of his responsibilities, given his leadership role within the Branch. Therefore, his actions in facilitating the laundering of funds fit within the scope of his employment with the Branch.
- B. Location and Timing:** The fraudulent transactions facilitated by Pastor and the Branch occurred during their regular duties, utilizing their professional capacities and resources. This is because part of their regular job duties includes managing and administering charitable donations.
- C. Foreseeability:** The actions of Pastor and the Branch—handling and redistributing funds, albeit illicitly—were related to their roles as pastor of the Branch and a denominational affiliate and subsidiary of the Conference, respectively. Given that they were trusted with the management and redistribution of funds, it was foreseeable that they would misuse these funds without proper oversight.
- D. Benefit to the Employer:** While the primary benefactor of the embezzlement scheme was Embezzler, the Branch, and Pastor—and, by extension, the Conference—also benefited from their involvement through retaining a portion of the embezzled funds or through the bolstering of their reported charitable contributions, among other unlawful benefits.
- E. Involvement of Superior's Resources:** Embezzler, Pastor, and the Branch used the resources of the Conference and their respective positions to facilitate the transactions, indicating that

⁴ See *Barr v. United Methodist Church*, 153 Cal. Rptr. 322 (1979), cert. denied, 444 U.S. 973.

the actions were linked to their professional roles as a denominational affiliate and subsidiary of the Conference and, thus, within the scope of their employment and agency of the Conference and subject to the control and oversight of the Conference.

The actions of Pastor and the Branch were illegal and unethical, and they were conducted within the scope of their professional roles, rendering their supervisor, the Conference, liable under the doctrine of *Respondeat Superior*.

In conclusion to this section, given the Conference's supervisory connection with the Branch and its pastor, Pastor, its liability is established under the doctrine of *Respondeat Superior*, which mandates responsibility upon an employer for the misconduct of its agents or employees committed within the scope of their professional duties. The Branch and Pastor, undeniably agents of the Conference, played crucial roles in Embezzler's embezzlement scheme, channeling misappropriated Trust funds. Key indicators solidifying the Conference's liability include Pastor's duties in handling the Branch's finances, the timing and location of these unauthorized transactions, their foreseeable nature given their trusted roles, the direct and indirect benefits derived from the scheme, and the use of the Conference's resources in these illicit activities. Consequently, the Conference's role in the fraudulent actions of its denominational affiliate and subsidiary, as well as its pastor, substantiates its accountability under the doctrine of *Respondeat Superior* and its legal relationship established through the Trust Clause of the United Methodist *Book of Discipline*.

ii. CONVERSION

Defendants—including, by extension, the Conference under the doctrine of *Respondeat Superior*—committed conversion. Under Michigan common law, conversion is “any distinct act of dominion wrongfully exerted over another's personal property in denial of or inconsistent with the rights of the owner.”⁵ Michigan courts further recognize conversion of money where the funds are specific and identifiable—e.g., trust monies or other sums “entrusted” to a defendant's care—rather than a mere general debt.⁶

Defendants' actions in this matter satisfy the criteria of all the elements above-referenced. Plaintiff, as a beneficiary, had an immediate and superior right to the Trust's personal property. Embezzler's siphoning of more than **\$420,000.00** in Trust funds over roughly twenty-five years—by withdrawing, re-routing, and spending those monies for personal purposes—was the quintessential “wrongful act of dominion” over property in derogation of Plaintiff's rights.⁷ The funds at issue were not an undifferentiated debt; they were specific Trust monies entrusted to Embezzler's

⁵ *Thoma v. Tracy Motor Sales, Inc.*, 360 Mich. 434, 438, 104 N.W.2d 360, 362 (1960); see also *Aroma Wines & Equip., Inc. v. Columbian Distribution Servs., Inc.*, 497 Mich. 337, 346–47, 871 N.W.2d 136, 142–43 (2015) (reaffirming *Thoma* and discussing the Restatement's illustrations of conversion).

⁶ *Head v. Phillips Camper Sales & Rental, Inc.*, 234 Mich. App. 94, 111–12, 593 N.W.2d 595, 603 (1999). Federal courts applying Michigan law follow the same rule. *Hagan v. Baird*, 288 F. Supp. 3d 803, 811–12 (E.D. Mich. 2017) (quoting *Head*).

⁷ See *Thoma*, 360 Mich. at 438, 104 N.W.2d at 362.

control and subject to fiduciary limitations, thereby satisfying Michigan's requirement for conversion of funds.⁸

Statutory authority independently confirms and expands Defendants' liability. Michigan's conversion statute provides that "[a] person damaged as a result of either or both of the following may recover 3 times the amount of actual damages sustained, plus costs and reasonable attorney fees": "(a) [a]nother person's stealing or embezzling property or converting property to the other person's own use," and "(b) [a]nother person's buying, receiving, possessing, concealing, or aiding in the concealment of stolen, embezzled, or converted property when the person . . . knew that the property was stolen, embezzled, or converted."⁹ This remedy is "in addition to any other right or remedy" available at law. The Michigan Supreme Court has clarified that "converting property to [the defendant's] own use" requires only that the defendant employ the property for some purpose personal to the defendant's interests—even if not the property's ordinary or intended purpose—and that statutory conversion is a distinct cause of action separate from common-law conversion.¹⁰

Applied here, Embezzler's conduct falls squarely within § 600.2919a(1)(a): she embezzled and converted Trust property to her "own use" by diverting funds for personal benefit.¹¹ The Branch and Pastor are liable under § 600.2919a(1)(b) because they knowingly accepted, handled, and funneled the misappropriated Trust monies under the false label of "charitable donations," later returning funds to Embezzler and retaining a portion for themselves—conduct that constitutes receiving, possessing, and aiding in the concealment of embezzled or converted property with knowledge of its illicit origin.¹² These same facts independently satisfy common-law conversion because the Branch and Pastor exercised dominion over Plaintiff's property in a manner inconsistent with Plaintiff's rights.¹³

The Conference is vicariously liable for this conversion under *Respondeat Superior*. Michigan law imposes vicarious liability on principals for torts committed by their agents within the scope of their authority or employment.¹⁴ Handling, processing, and accounting for "donations" to the local church fell within Pastor's ecclesiastical and administrative duties and within the Branch's routine operations under the Conference's authority. The conversion here was accomplished through those roles and instrumentalities, thereby rendering the Conference liable for its agents' torts.

In sum, Defendants' conduct constitutes a textbook case of conversion under Michigan common law and statute: they wrongfully exercised dominion over specific Trust funds, diverted those funds for personal purposes, and deprived Plaintiff of property rights.¹⁵ Accordingly, Embezzler,

⁸ See *Head*, 234 Mich. App. at 111–12, 593 N.W.2d at 603.

⁹ Mich. Comp. Laws § 600.2919a(1)(a)–(b) (2025).

¹⁰ *Aroma Wines*, 497 Mich. at 359, 871 N.W.2d at 148–49.

¹¹ See *id.*

¹² See Mich. Comp. Laws § 600.2919a(1)(b) (2025).

¹³ See *Thoma*, 360 Mich. at 438, 104 N.W.2d at 362.

¹⁴ *Zsigo v. Hurley Med. Ctr.*, 475 Mich. 215, 226–27, 716 N.W.2d 220, 226–27 (2006).

¹⁵ See *Thoma*, 360 Mich. at 438, 104 N.W.2d at 362; *Aroma Wines*, 497 Mich. at 359, 871 N.W.2d at 148–49; *Head*, 234 Mich. App. at 111–12, 593 N.W.2d at 603.

the Branch, and Pastor—and the Conference, via *Respondet Superior*—are jointly and severally liable for conversion and for all resulting damages, including complete compensatory relief and, under Mich. Comp. Laws § 600.2919a(1)(a)–(b), treble damages, costs, and reasonable attorney's fees.

iii. CIVIL FINANCIAL FRAUD AND RACKETEERING

The arguments supporting the allegations of civil financial fraud and racketeering committed by Embezzler and facilitated by the Branch and Pastor—and, by extension, the Conference—constitute the perpetration of intentional wrongdoing and systemic exploitation.

Embezzler knowingly executed, with the knowing participation of the Branch and Pastor, a scheme to embezzle funds from the Trust. Their actions were not a mistake or oversight but were deliberate and calculated. The scheme was designed and carried out to defraud the Trust of its assets. The very act of developing and executing such a scheme, by its nature, suggests forethought, planning, and the conscious decision to engage in fraudulent activity.

To further their illicit intentions, Embezzler, with the knowing participation of the Branch and Pastor, created a veil of legitimacy through pretenses, false representations, and false promises. They masked Embezzler's fraudulent extraction of the Trust's funds by representing them as “duly made donations.” These false representations served to obscure the nature of their transactions, thereby permitting the fraudulent activity to persist over time without immediate detection. By projecting a veneer of legitimacy, Defendants manipulated trust and obfuscated their fraudulent actions, thereby compounding the severity of their misconduct.

The fruits of Defendants' fraudulent scheme came in the form of funds controlled by a financial institution—funds that were not theirs to take. Defendants not only wrongly acquired these funds but also derived tangible benefits from their misuse. This gain from the fraudulent scheme underscores the self-serving motivation behind Defendants' actions and establishes their liability under the law. The Conference is liable for Embezzler, the Branch, and Pastor's fraud under the doctrine of *Respondet Superior*.

The actions of the Branch and Pastor do not merely constitute civil financial fraud but elevate to the level of racketeering. Their activities represent a systematic pattern of wrongdoing, as defined under the Racketeer Influenced and Corrupt Organizations Act (RICO), that extends beyond isolated incidents. The consistency of their actions—the recurrent and methodical embezzlement of funds—reveals an organized structure of criminal activity that meets the criteria for racketeering.

Furthermore, Defendants went beyond simply engaging in these activities; they conducted the enterprise's affairs through a systematic racketeering operation. Their sustained involvement in the fraudulent scheme, which spanned over a significant period, indicates a deeply entrenched system of organized crime.

Finally, the harm inflicted upon Plaintiff and the beneficiaries of the Trust is substantial. The direct and significant damage that Plaintiff has suffered, both financially and emotionally, due to

Defendants' actions underscores the severity of the violations committed. Multiple instances of misappropriation by the Branch and Pastor have resulted in significant losses and disruption for Plaintiff, culminating in a compelling case for Defendants' liability under the laws of civil financial fraud and racketeering.

Pursuant to the above-described doctrine of *Respondeat Superior* and in light of the doctrine's implementation and reiteration herein, it is indisputable that the Conference is liable for the civil financial fraud and racketeering committed by the other defendants.

The embezzler, aided by the Branch and Pastor, deliberately orchestrated a scheme of civil financial fraud to siphon funds from the Trust systematically. Employing deceit, they camouflaged their malfeasance by misrepresenting embezzled assets as genuine donations. This well-calculated, recurring embezzlement, which yielded significant illicit profits for the perpetrators, falls under the umbrella of civil financial fraud and also escalates to racketeering, as outlined by the RICO Act. Given the recurring and organized nature of these transgressions, the operations amounted to a structure of organized crime, causing significant financial and emotional distress to the Trust's beneficiaries, particularly to Plaintiff. The Conference, tethered by the doctrine of *Respondeat Superior* and its responsibilities under the Trust Clause, stands liable for the misdeeds of the accused.

iv. FRAUD, MISREPRESENTATION, AND CONCEALMENT

Defendants—including, by extension, the Conference under the doctrine of *Respondeat Superior*—perpetrated fraud, misrepresentation, and concealment.

The acts of fraud and misrepresentation are interconnected, as it is often the case that to commit fraud, one needs to engage in acts of misrepresentation. Misrepresentation can be defined as providing false or misleading information with the intent to deceive, which is a fundamental element of fraud.

The facts of the case present a clear picture of such misrepresentation with fraudulent intent. Embezzler, in her capacity as the steward of the Trust, made several recurring, implicit, and explicit misrepresentations to the Trust's beneficiaries. These statements were supported and accentuated by the actions of the Branch and Pastor, who accepted funds as "donations" to avoid detection and then later returned those donations to Embezzler for her personal use, with a portion of the funds paid to the Branch and Pastor as compensation for their involvement in, and facilitation of, the scheme. These fraudulent actions by the Branch and Pastor reassured the beneficiaries that all was well with the Trust when, in fact, Embezzler was misappropriating the Trust's funds. The Branch and Pastor intended to foster a false sense of security among the beneficiaries so Embezzler could continue her fraudulent activities undetected.

The Branch and Pastor's representations that they were receiving donations were knowingly false, as they later returned the donations to Embezzler for her personal use. It is important to note that the beneficiaries, relying on the Branch's and Pastor's reassuring actions and characterizations of the funds, had no reason to suspect the fraud, thus establishing reasonable reliance. The harm that

Plaintiff suffered was a direct result of Plaintiff's reliance; therefore, all the elements necessary for fraud and misrepresentation were established.

Concealment, in this context, refers to the act of withholding material information or misleading another party about the condition of a contract or property, which is applicable here, considering that a trust is essentially a contract. The Branch and Pastor suppressed material facts about the nature of the funds received from Embezzler, and their knowledge of these facts is not in dispute. They intentionally misled Plaintiff about the nature of the funds received and their subsequent redistribution to Embezzler, causing Plaintiff to be reasonably misled and suffer damages as a result.

The Branch and Pastor engaged in calculated acts of fraud, misrepresentation, and concealment. The facts reveal a clear pattern of deceit aimed at personal enrichment at the expense of the Trust's beneficiaries. The evidence presented establishes, beyond a preponderance of the evidence, that Embezzler, the Branch, and Pastor—and the Conference, under the doctrine of *Respondeat Superior*—are liable for fraud, misrepresentation, and concealment. Indeed, it is most specific and provable that Defendants are beyond a mere 51% likelihood of having perpetrated the wrongdoing described herein.

v. CIVIL AIDING AND ABETTING A BREACH OF FIDUCIARY DUTIES

The Branch and Pastor—and the Conference under the doctrine of *Respondeat Superior*—perpetrated civil aiding and abetting of a breach of fiduciary duties through their involvement in the embezzlement of the Trust. The breach of fiduciary duties is considered a tortious act, for which the law provides a remedy. The concept of aiding and abetting tortious conduct aligns with the breaching of fiduciary duties and is well-established in § 876(b) of the Restatement (Second) of Torts.

According to the elements outlined in § 876(b) of the Restatement (Second) of Torts, the Branch and Pastor—and the Conference under the doctrine of *Respondeat Superior*—can be held liable if harm is caused to third persons by the tortious conduct of another party. In this case, Plaintiff and other beneficiaries of the Trust suffered damage in the form of significant pecuniary losses of the funds to which they were entitled due to Defendants' fraudulent conduct. Over the course of twenty-five years, Embezzler, with the assistance of the Branch and Pastor, embezzled funds from the Trust, directly resulting in harm to the beneficiaries. Therefore, Defendants are subject to liability because they knew their conduct constituted a breach of duty, facilitated a violation of duty, and, in the process, gave substantial assistance and encouragement to one another in perpetrating this breach.

The harm suffered was not merely financial in nature. The betrayal by a trusted fiduciary resulted in, among other things, emotional, mental, psychological, spiritual, and physical distress. The nature of the fiduciary relationship between a trustee and a beneficiary implies a high duty of care, and the behavior of Embezzler has utterly violated this relationship and destroyed Plaintiff's trust. The fact that it was actively and fraudulently aided and abetted by the Branch and Pastor only adds to the significant nature of the betrayal and distress.

In consideration of the foregoing facts, Defendants' actions were willful, wanton, malicious, and oppressive. The behavior of Defendants—specifically, Embezzler—is not merely a breach of fiduciary duty but an intentional and sustained attack on Plaintiff's interests, causing significant harm. This behavior of Embezzler was supported and facilitated by the actions of the Branch and Pastor, who accepted funds as "donations" to avoid detection and then later returned those donations to Embezzler for her personal use, with a portion of the funds paid to the Branch and Pastor as compensation for their involvement in, and facilitation of, the scheme. These facts, if proven, justify an award of Compensatory Damages to make Plaintiff whole and for Punitive and Exemplary Damages to punish Defendants and deter similar conduct from recurring in society. Therefore, it is clear that Defendants—and the Conference under the doctrine of *Respondeat Superior*—are liable for aiding and abetting a breach of fiduciary duties.

Defendants, through calculated deception and malice, have not only abetted the egregious breach of fiduciary duties orchestrated by Embezzler but also, in doing so, directly inflicted palpable harm upon the beneficiaries of the Trust, including Plaintiff directly. The principles laid out in § 876(b) of the Restatement (Second) of Torts unequivocally implicate the Branch, Pastor, and the Conference, via the doctrine of *Respondeat Superior*, in perpetuating the tortious act of aiding and abetting this breach. Beyond financial losses, the emotional and psychological distress inflicted by this betrayal underlines the depth of Defendants' misconduct. The long-standing scheme, characterized by fraudulent "donations" and a pervasive breach of trust, warrants not only Compensatory Damages but also punitive measures to discourage similar future transgressions. In summary, it is patently evident that Defendants, including the Conference, bear responsibility for aiding and abetting the breach of fiduciary duties.

vi. UNJUST ENRICHMENT

In common law, unjust enrichment refers to situations in which one party benefits at the expense of another in circumstances that the law deems unfair. It occurs when a party confers a benefit upon another without receiving adequate compensation, thereby creating an imbalance that justice demands to be rectified.

To assert a claim for unjust enrichment, a plaintiff must demonstrate two key elements: that the defendant was unjustly enriched at Plaintiff's expense and that Plaintiff suffered damages as a result.

The facts of this case demonstrate that Defendants were unjustly enriched at Plaintiff's expense. Defendants, through fraudulent conduct and embezzlement, accumulated wealth from the Trust, a benefit they did not merit. For the Branch and Pastor, this constituted a mischaracterization of Embezzler's "donations," a return of the donations to Embezzler for her personal use, and a retention of some of those donations for their own use. This enrichment occurred at Plaintiff's direct expense as the rightful beneficiary of the Trust's funds. Any money misappropriated from the Trust's financial account would have directly benefited Plaintiff if it had not been illicitly removed. Thus, Defendants were unjustly enriched, and this enrichment came at a substantial cost to Plaintiff. Consequently, Plaintiff is justified in seeking relief from the Court against Defendants for their unscrupulous enrichment at Plaintiff's expense.

In light of the presented facts, the principle of unjust enrichment is undeniably evident, whereby Defendants profited illicitly at Plaintiff's direct detriment. Through deceptive maneuvers and embezzlement, Defendants secured unwarranted wealth from the Trust's coffers. As the rightful beneficiary, Plaintiff was deprived of resources that were rightfully his, underscoring the manifest injustice perpetuated by Defendants. Therefore, in pursuing equitable restitution, Plaintiff seeks the Court's intervention to rectify the unscrupulous gains made by Defendants at Plaintiff's expense.

vii. PERMANENT INJUNCTION

A permanent injunction is a remedy granted by a court in certain legal situations where monetary damages are not sufficient to rectify the harm done. In the present case, Plaintiff asserts that they are entitled to a permanent injunction against Defendants, as the damages they have suffered are not solely financial in nature, but also include emotional and psychological harm.

According to the U.S. Supreme Court case *Weinberger v. Romero-Barcelo*,¹⁶ four key elements must be satisfied to grant a permanent injunction: an irreparable injury to Plaintiff, the inadequacy of monetary damages to compensate for the injury, a balance of hardships favoring Plaintiff, and the injunction not being detrimental to the public interest.

Specifically, Plaintiff seeks injunctive relief—pursuant to the *Weinberger* elements—to (i) restrain further dissipation or transfer of Trust-related assets or proceeds; (ii) require preservation and production of trust, banking, and church records; and (iii) prohibit destruction or alteration of records relevant to this matter.

The following factors of this matter support injunctive relief: (1) continued loss of traceable Trust property and records constitutes irreparable injury; (2) legal remedies are inadequate to prevent further dissipation and spoliation; (3) the balance of hardships favors narrowly tailored restraints; and (4) the public interest is served by preventing conversion and preserving evidence

Therefore, in applying these elements to the current case, it is clear that Plaintiff has indeed suffered irreparable injury. This injury encompasses not only the financial loss resulting from the embezzled funds but also the potential earnings these funds could have generated over twenty-five years. In addition, Plaintiff has also experienced emotional and mental distress as a direct result of Defendants' actions and fraud, manifesting in stress, anxiety, desperation, anger, and feelings of having been violated.

Monetary damages alone cannot adequately compensate for the mental and emotional turmoil Plaintiff has suffered. While Plaintiff's damages may be quantifiable in terms of treatment costs, they represent a more profound violation of trust, something that cannot be measured solely in financial terms.

Given the balance of hardships, the scales tip in Plaintiff's favor. An injunction preventing Defendants from causing further harm would not unduly disadvantage Defendants. Conversely, it

¹⁶ 456 U.S. 305 (1982).

would significantly benefit Plaintiff by ensuring that Defendants cannot continue to inflict harm upon Plaintiff.

Furthermore, issuing a permanent injunction against Defendants would not be detrimental to the public interest. Indeed, it is argued that it is in the public interest to restrain individuals who engage in such tortious conduct from causing further harm.

The actions of Defendants are both the actual and proximate cause of Plaintiff's injuries. Defendants' conduct was intentional, and the risks associated with their conduct were foreseeable and preventable. Therefore, a permanent injunction is both appropriate and necessary to prevent further harm and offer some measure of justice to Plaintiff.

Given the totality of the circumstances, it is manifestly clear that the harm Plaintiff endured transcends Plaintiff's financial losses, extending to the emotional and mental anguish caused by Defendants' intentional misconduct. As delineated in *Weinberger v. Romero-Barcelo*, Plaintiff has suffered an irreparable injury for which monetary compensation is insufficient. This injury, encompassing monetary losses, potential earnings, and intangible emotional distress, is a testament to the profound violation of trust by Defendants. Balancing the hardships, it is evident that Plaintiff's welfare substantially outweighs any minor inconvenience faced by Defendants due to the injunction. Protecting the public interest aligns with restraining individuals from perpetuating such malevolent actions, further underscoring the necessity for a permanent injunction. Therefore, to prevent further harm and uphold justice, it is imperative that the Court grant this permanent injunction against Defendants.

III. INJURIES

Due to the betrayal and fraud perpetrated against Plaintiff, Plaintiff has found himself grappling with profound financial, emotional, mental, and physical ramifications. The embezzlement of approximately **\$420,000.00** from the Trust has resulted in a significant loss of Plaintiff's expected inheritance, with Plaintiff's financial losses including more than **\$240,000.00** in legal expenses associated with litigation against the perpetrators. Beyond the immediate financial loss, those embezzled funds, if left untouched, would have substantially increased in value over time.

Defendants' fraudulent activities included the deceptive labeling of the misappropriated funds as "charitable donations" to evade detection and tax reporting. As a result, Plaintiff now faces profound tax implications. The damage done by Defendants was aggravated by the egregious breach of fiduciary duty by Embezzler and the knowing facilitation of that breach by the Branch and Pastor. Her blatant misuse of the Trust's funds constitutes a violation of the duties she owed to Plaintiff, Plaintiff's mother, and the other beneficiaries of the Trust. The Branch's and Pastor's active participation in and facilitation of Embezzler's schemes shielded her actions from discovery and exacerbated the injuries and betrayal.

Upon the foregoing, the following is a non-exhaustive list of the injuries Plaintiff has suffered, as well as the damages Plaintiff has sustained and will seek, jointly and severally, against all defendants, including the Conference.

- A. Financial Damages:** Plaintiff has incurred substantial economic losses due to the embezzlement of approximately **\$420,000.00** from the Trust, as well as over **\$240,000.00** in legal expenses incurred by Embezzler in connection with the related litigation. Plaintiff has also lost the benefits associated with the anticipated future income generated by these funds, as well as the amount reasonably determined to be in excess of **\$2,000,000.00**, as explained and described in the Compensatory Damages section below.
- B. Loss of Inheritance:** As a beneficiary, the embezzlement resulted in a significant reduction of Plaintiff's expected inheritance and a substantial loss in the overall value of the Trust assets throughout the period of embezzlement by Embezzler, which was actively aided and abetted by the Branch and Pastor. This loss in the overall value of the Trust assets over time is conservatively estimated to be, again and not in addition to, more than **\$2,000,000.00**, as explained and described in the Compensatory Damages section herein below.
- C. Emotional and Mental Distress:** The fraudulent activities of Defendants, including the actions of Plaintiff's sibling, have caused Plaintiff significant emotional and mental trauma. These damages will be substantiated during discovery, and they are of substantial monetary value.
- D. Anxiety:** The financial instability and this case's future implications have induced severe anxiety. These damages will be substantiated during discovery, and they are monetarily significant.
- E. Depression:** The betrayal and breach of trust have led to intense sadness and hopelessness, resulting in severe depression. These damages will be substantiated during discovery, and they are monetarily significant.
- F. Trust Issues:** The breach of the fiduciary duties referenced herein by trusted individuals has resulted in strained relationships and immense difficulty in trusting others.
- G. Physical Suffering:** After Plaintiff's sister evicted Plaintiff, Plaintiff was forced to shelter in a U-Haul trailer during winter, as there were no rentals available. These damages will be substantiated during discovery, and they are monetarily significant.
- H. Damaged Reputation:** The public exposure of this case has significantly tarnished Plaintiff's reputation, as the public now has access to view Plaintiff's family's "dirty laundry."
- I. Tax Implications:** Mislabeling the embezzled funds as "charitable donations" has resulted in profound tax implications for Plaintiff. These damages will be substantiated during discovery, and they are monetarily significant.
- J. Breach of Fiduciary Duties:** Embezzler's misuse of the Trust's funds resulted in a severe violation of fiduciary duty, which was actively aided and abetted by the Branch and Pastor, causing additional monetary damages.

The injuries that Plaintiff has endured due to the fraudulent conduct of Defendants, spearheaded by Embezzler and aided by the Branch and Pastor, have culminated in profound financial losses and emotional, mental, and physical distress. This betrayal not only devastated Plaintiff's expected inheritance and resulted in the embezzlement of substantial funds but also created an environment of mistrust, damaged Plaintiff's reputation, and imposed severe tax burdens. The quantifiable financial loss, exceeding **\$2,000,000.00**, in combination with the significant and lasting emotional and mental toll, underscores the gravity of Defendants' egregious breach of fiduciary duty and fraudulent actions.

IV. DAMAGES

i. COMPENSATORY DAMAGES

Below is a comprehensive breakdown of Plaintiff's special damages sustained in this case as a result of Defendants' actions.

- A. Defendants embezzled funds from the Trust for approximately **\$16,800.00** per year for twenty-five years, totaling roughly **\$420,000.00** in illicitly taken funds from the Trust.
- B. The Trust funds would have compounded at an average annual rate of 7% if they had not been stolen. If the stolen **\$420,000.00** had not been taken from the Trust and had been allowed to compound yearly at an interest rate of 7% for twenty-five years, it would have totaled approximately **\$1,062,583.83**, included within Plaintiff's Special Damages.
- C. Embezzler also illicitly spent approximately **\$240,000.00** from the Trust to cover her legal fees, which, if the funds had not been stolen and allowed to compound at an interest rate of 7% per year, would have totaled approximately **\$607,190.76**, included within Plaintiff's Special Damages.
- D. Combined, the sums detailed in paragraphs "B" and "C" hereinabove total approximately **\$1,669,774.60** in special damages.

Plaintiff's general damages, predicated on the content of the Injuries section above, are estimated to be **\$3,000,000.00**.

Plaintiff's entitlement to the General Damages sought, approximately **\$3,000,000.00**, is supported by the compelling injuries detailed hereinabove. The profound financial, emotional, mental, and physical injuries stemming from Defendants' coordinated betrayal, fraud, and breach of fiduciary duties substantiate not only the Special Damages but also warrant the General Damages sought. These general damages encompass the egregious and lasting impacts on Plaintiff's emotional well-being, physical health, reputation, and interpersonal trust, all of which are the natural consequences of Defendants' calculated and malicious misconduct. The losses outlined align directly with established legal principles that justify the entitlement to General Damages in compensation for the multifaceted harm sustained.

Therefore, Plaintiff's total Compensatory Damages (Special Damages and General Damages) come to approximately **\$4,669,774,60**.

ii. TREBLE DAMAGES

Under federal law, Treble Damages are a remedy provided to punish and deter particularly wrongful conduct. The concept allows a court to multiply the actual or compensatory damages by a factor of three.

Because Plaintiff's compensatory damages are approximately **\$4,669,774,60**, and if tripled to calculate Treble Damages, the Treble Damages to which Plaintiff is entitled equal roughly **\$14,009,323.80**, as substantiated in more detail below.

The above-referenced fraudulent activity of Defendants, including embezzlement and deceptive labeling of misappropriated funds, falls under federal statutes such as the Racketeer Influenced and Corrupt Organizations Act (RICO) or statutes governing wire or mail fraud. Because Defendants' actions meet the elements of these laws, Treble Damages would be statutorily prescribed as a remedy.

Specific federal statutes, such as the Clayton Antitrust Act and the False Claims Act, expressly provide for Treble Damages in cases of violations. Because the conduct of Defendants at issue here falls under a federal statute allowing for Treble Damages, the legal entitlement to **\$14,009,323.80** in Treble Damages is well-supported.

The direct link between Defendants' fraudulent conduct and Plaintiff's injuries is a critical component of the legal argument in favor of Treble Damages. It substantiates the necessity for enhanced damages and establishes liability under federal statutes that require proof of causation.

Plaintiff's entitlement to Treble Damages under federal law is rooted in Defendants' egregious conduct, as well as specific statutory provisions applicable to this case. Because the facts of this matter align with the requirements of federal statutes governing fraud, embezzlement, and other relevant legal domains, Plaintiff's pursuit of approximately **\$14,009,323.80** in Treble Damages is amply grounded in federal law. The imposition of Treble Damages, in this case, would serve not only to redress Plaintiff's significant losses but also to manifest the federal policy against fraudulent and malicious conduct.

iii. EXEMPLARY DAMAGES

While Plaintiff will fully pursue the above-referenced Compensatory Damages and Treble Damages to compensate for the injuries caused by Defendants, Plaintiff will also seek Exemplary Damages if this matter does not settle and proceeds to trial.

Under Michigan law, Exemplary Damages are compensatory in nature and may be awarded to address the humiliation, outrage, and other injuries that accompany particularly egregious conduct. The purpose of Exemplary Damages is to punish a defendant for their wrongful or harmful conduct and to deter them and others from repeating said conduct in the future. Exemplary Damages are

granted when the defendant's behavior is considered grossly negligent, intentional, or outrageous. In the present case, it is clear that Defendants' conduct was *both* deliberate and outrageous, so Defendants are amply liable for Exemplary Damages.

In the case of *Wollersheim v. Church of Scientology*,¹⁷ The Court of Appeals affirmed a jury verdict awarding Plaintiff **\$2,500,000.00** in compensatory damages and **\$5,000,000.00** in punitive damages. Therefore, if the present case remains unsettled and proceeds to trial, Plaintiff will seek at least **\$5,000,000.00** in Punitive and Exemplary Damages against Defendants—specifically, against the Conference.

Given the intentional and egregious nature of Defendants' actions, it is only just that, in addition to Compensatory Damages and Treble Damages, Exemplary Damages be sought to penalize and dissuade such behavior. As elucidated in *Wollersheim v. Church of Scientology*, courts have recognized and upheld substantial punitive damages in cases where the defendant's conduct is grossly negligent or flagrantly harmful. Such damages are imperative not only to reprimand the defendant but also to send a potent message to deter similar conduct by others in the future. Should this matter proceed to trial, Plaintiff is resolute in pursuing a minimum of **\$5,000,000.00** in Exemplary Damages from Defendants, particularly against the Conference.

V. CONCLUSION

In conclusion to this Demand, the legal matters encapsulated within this case against the Conference and the other defendants are both extensive and grave. Plaintiff has substantially described the wrongs committed by Defendants, including financial fraud, racketeering, misrepresentation, concealment, and aiding and abetting a breach of fiduciary duties. At the heart of this case is the long-term embezzlement of a trust fund amounting to more than **\$420,000.00**, excluding compounding interest, to which Plaintiff was entitled as a beneficiary.

Defendants' actions, characterized as deliberate and systematic, render them liable under various legal doctrines. The principle of *Respondeat Superior* plays a pivotal role in holding the Conference liable for the wrongful acts committed by its affiliates or subsidiaries, including the Branch, Pastor, and Embezzler, as an employee of the Branch. Defendants' actions were committed within the scope of their employment, as they involved the habitual processing of donations, which is a duty inherent to their job responsibilities. They were foreseeable, thereby forming a clear basis for liability against the Conference. This position is further solidified by the fact that the Conference benefited from the embezzlement scheme and utilized its resources to facilitate the fraudulent transactions.

The case against Embezzler and her co-defendants extends to civil financial fraud and racketeering, as it embodies a deeply entrenched system of organized crime, with substantial economic and emotional harm inflicted upon Plaintiff. A systematic pattern of wrongdoing elevates the actions of Defendants to the level of racketeering, with various doctrines, including § 876(b) of the Restatement (Second) of Torts, supporting the allegations of aiding and abetting tortious conduct.

¹⁷ 10 Cal.App.4th 370.

Plaintiff's claim also emphasizes the significant and multifaceted losses Plaintiff has suffered, including financial damages, emotional distress, and trust issues. The breaches, intentional misconduct, and unjust enrichment committed by Defendants have resulted in Plaintiff's request for a permanent injunction, a remedy necessary given the irreparable injury suffered.

In sum, this case embodies a profound breach of trust and a breach of fiduciary duties and legal obligations, resulting in significant harm befalling Plaintiff.

VI. SETTLEMENT OFFER

Considering the foregoing and the confirming information that will be disclosed during discovery if this matter is not settled, the Conference has significant financial exposure in this case, including the following total damages—excluding Punitive and Exemplary Damages, as those will only be sought if this matter is not settled—referenced in the table below.

TYPE OF DAMAGES	AMOUNT
Special Damages	\$1,669,774.60
General Damages	\$3,000,000.00
Treble Damages	\$14,009,323.80
Exemplary Damages	\$0.00 (unless we do not settle)
TOTAL DAMAGES	\$18,679,098.40

Notwithstanding the above table, to resolve this matter at this point, Plaintiff is willing to release Plaintiff's claims against the Conference for immediate payment of a total of **\$10,000,000.00**.

If this matter cannot be settled and it proceeds to trial, Plaintiff will aggressively pursue the above-referenced **\$18,679,098.40**, plus an additional **\$5,000,000.00** or more in Punitive and Exemplary Damages, for a minimum total of **\$23,679,098.40**.

This offer will remain open until **August 24, 2023**. At that point, Plaintiff will be compelled by reason to proceed with discovery and move this matter forward toward trial, increasing the Conference's costs and risk. Please encourage your client to take these claims seriously and avail themselves of this opportunity to reduce their liability exposure.

Sincerely,

/s/ Saul Goodman
Saul Goodman,
Attorney for Plaintiff