

STATE OF MINNESOTA
COUNTY OF DAKOTA

DISTRICT COURT
FIRST JUDICIAL DISTRICT

Case Type: OTHER CIVIL

Court File No. _____

In the Matter of the Voluntary Dissolution of
Feeding Our Future

**PETITION FOR SUPERVISED
VOLUNTARY DISSOLUTION**

1. This petition is a statutory proceeding expressly authorized by section 317A.741 of the Minnesota Nonprofit Corporation Act, Minn. Stat. ch. 317A (2021) (the “Nonprofit Act”).

PARTIES

2. Petitioner the State of Minnesota, by its Attorney General, Keith Ellison (the “AGO”) has the power “to supervise and investigate corporations under [the Nonprofit Act] and to bring proceedings to secure compliance.” Minn. Stat. § 317A.813.

3. Respondent Feeding Our Future is a Minnesota nonprofit corporation organized under the Nonprofit Act. (Declaration of Carol R. Washington (“Decl.”) Exhibit 1.) Feeding Our Future obtained its certificate of incorporation with the Minnesota Secretary of State on November 7, 2016. (Decl. Ex. 2 at 1.)

JURISDICTION AND VENUE

4. Feeding Our Future’s registered address with the Minnesota Secretary of State is 13299 Bronze Parkway, Rosemount, Dakota County, Minnesota 55068. (Decl. Ex. 1.)

5. The Nonprofit Act provides that after a “notice of intent to dissolve has been filed with the secretary of state and before a certificate of dissolution has been issued,” the attorney general “may apply to a court within the county in which the registered office of the corporation

is located to have the dissolution conducted or continued under the supervision of the court.” Minn. Stat. § 317A.741.

6. On February 25, 2022, Feeding Our Future filed a Notice of Intent to Dissolve with the Minnesota Secretary of State pursuant to section 317A.723. (Decl. Ex. 3.)

7. As of March 1, 2022, no certificate of dissolution has been issued. (Decl. Ex. 1.)

8. Jurisdiction is conferred by section 317A.741.

9. Venue is proper under Minnesota Statutes sections 317A.741 and 542.09 (2021).

REQUEST FOR ASSIGNMENT TO SINGLE JUDICIAL OFFICER

10. The AGO requests assignment of this matter to a single judge under Rule 113.01 of the Minnesota Rules of General Practice in light of the novelty of the proceeding and the efficiencies resulting from having a single judge responsible for the monitoring and supervision of Feeding Our Future’s pending dissolution.

FACTUAL BASIS

I. OVERVIEW.

11. The allegations cited herein pertain to an ongoing investigation. The facts are still being developed. Feeding Our Future and its executive director, Aimee Bock, have denied many of the FBI’s allegations in public reports and in submissions to the AGO.

12. The AGO’s investigation and any subsequent action may include grounds that are in addition to, or different from, those alleged in this Petition. The AGO provides certain facts below that it has obtained from public sources and in its investigation to date relevant to its request to invoke this Court’s jurisdiction prior to the conclusion of its investigation.

13. Feeding Our Future obtained Internal Revenue Service (“IRS”) recognition of its federal tax-exempt status under Section 501(c)(3) of the Internal Revenue Code on February 28, 2017. (Decl. Ex. 4.) To maintain its tax-exempt status with the IRS, Feeding Our Future is

required to file annual informational return documents called Forms 990 with the IRS. As of March 1, 2022, the IRS lists Feeding Our Future’s exemption status as revoked for failing to timely file such returns.¹ (Decl. Ex. 5.)

14. Feeding Our Future is a Minnesota nonprofit corporation, subject to the requirements of the Nonprofit Act and the supervision and enforcement of the AGO. The AGO can investigate and “bring proceedings to secure compliance” with the Nonprofit Act. Minn. Stat. § 317A.813.

15. The AGO can also obtain equitable remedies against corporations that violate the Nonprofit Act under certain conditions, including repeated and flagrant violations, unauthorized conveyances and transfers, the solicitation of property and failure to use it for the solicited purpose, or the fraudulent use or solicitation of property. Minn. Stat. § 317A.751, subdiv. 5.

16. The AGO also enforces violations of officers’ and directors’ fiduciary duties to the corporation. Directors and officers are required to act in good faith, in a manner they reasonably believe to be in the best interests of the corporation, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances. Minn. Stat. §§ 317A.251, subdiv. 1, 317A.361, subdiv. 1. For example, “egregious and unconscionable conduct such as the . . . use of the charity’s property for illegal purposes” can violate fiduciary duties. Restatement of the Law of Charitable Nonprofit Org. § 2.03 cmt. d(1) (2021).

17. In such cases where fiduciary duty breaches result in losses to the corporation, the AGO can obtain damages and restitution for such losses from the culpable officers and directors,

¹ The AGO does not directly enforce federal tax-exemption requirements, which are different than state-law requirements. However, charitable organizations that solicit contributions are required to file complete and accurate IRS Forms 990 with the AGO as part of their registration requirements. Revocation of tax-exempt status can also indicate mismanagement and fiduciary duty violations under the Nonprofit Act.

which can be paid to the nonprofit. *See, e.g.*, Minn. Stat. §§ 8.31, subdiv. 3a, 317A.257, subdiv. 2(2). The AGO can also obtain civil penalties and other remedies. *See* Minn. Stat. § 8.31, subdiv. 3.

18. Feeding Our Future solicits charitable contributions from Minnesotans, which also subjects it to registration requirements and the supervision and enforcement of the AGO under the Minnesota Charitable Solicitation Act, Minn. Stat. §§ 309.50–.61 (2021).

19. Under the Minnesota Charitable Solicitation Act, corporations that solicit charitable contributions for charitable purposes as defined therein must register and file annual reports with the AGO prior to soliciting unless exempted. *See, e.g.*, §§ 309.52, .53.

20. On January 29, 2019, the AGO sent Feeding Our Future a letter stating that “Feeding Our Future may be soliciting charitable contributions without being registered.” (Decl. Ex. 6.) When Feeding Our Future did not respond, the AGO sent another letter on February 28, 2019, “again request[ing] that Feeding Our Future either register with this Office or submit the exemption form.” (Decl. Ex. 7 at 1.) On March 11, 2019, Feeding Our Future registered with the AGO for the first time. (Decl. Ex. 8.)

21. Over the next two years, Feeding Our Future failed to submit any annual reports as required by section 309.53. As such, it was prohibited from soliciting contributions during those years. On October 25, 2021, the AGO notified Feeding Our Future that its registration had been withdrawn. (Decl. Ex. 9.)

22. On January 28, 2022, counsel for Feeding Our Future submitted to the AGO its 2019 and 2020 Annual Reports and IRS Forms 990. (Decl. Exs. 10–13.) Prior to this date, the AGO and the public had no visibility into the financial activities set forth in these tax filings since Feeding Our Future’s initial registration date in 2019.

23. Feeding Our Future’s most recent 990s do not reflect revenue brought into the organization that is described in the FBI warrants as detailed below. Feeding Our Future acknowledged to the AGO that these 990s are “likely not up to standards.” (Decl. Ex. 15 at 8.) It contends that its financial advisors lack competence and has asserted that it is hiring new accountants and auditors. (Decl. Ex. 16 at 2.)

24. According to its filings, the vast majority of Feeding Our Future’s assets each year are grants from U.S. Department of Agriculture (“USDA”) programs that provide federal funding to nutrition programs for children and low-income individuals across the nation. These nutrition programs are administered in Minnesota by the Minnesota Department of Education (“MDE”).² These state and federal government agencies oversee these funds and activities and receive significant reporting and documentation about their activities that is not submitted to the AGO.

25. According to FBI search warrants and attached materials that were made public in court proceedings, meals are served at “sites.” (Decl. Ex. 17 at 13.) Each site has a public or nonprofit “sponsor” to help administer the program, which processes paperwork and payments to sites. (*Id.*) Feeding Our Future sponsored numerous sites and entered into contracts with the sites it sponsored. Under these contracts, Feeding Our Future deducted 10 percent of all Federal Child Nutrition Program reimbursements received by the sites under its sponsorship as an administrative fee. (*Id.* at 15.)

26. The FBI alleged that Feeding Our Future served as a sponsor to an increasing number of sites over recent years. In 2019, Feeding Our Future received about \$3.5 million in

² MDE has been represented in litigation concerning Feeding Our Future by a separate section of the AGO that provides legal representation to State agencies. The AGO appears here in a different capacity—directly on behalf of the State of Minnesota, pursuant to the Attorney General’s civil enforcement authority.

federal funds. In 2021, Feeding Our Future received more than \$197 million in federal funds. (Decl. Ex. 17 at 14.) As described below, this triggered increased governmental scrutiny and action by the FBI to protect those federal dollars. (*Id.*)

II. FBI INVESTIGATION.

27. On or around January 20, 2022, the FBI made public its criminal investigation into allegations of a “a large-scale scheme to fraudulently obtain and misappropriate federally funded child nutrition programs.” (*Id.* at 5.) The FBI alleged that certain persons “received tens of millions of dollars in federal funds for use in providing nutritious meals to underprivileged children and adults,” but “[a]most none of this money was used to feed children”—and instead went to “real estate, cars, and other luxury items.” (*Id.*)

28. The FBI specifically alleged that “[m]uch of this fraud was committed by sites operated under the sponsorship of Feeding Our Future, a non-profit organization purportedly in the business of helping community partners participate in the Federal Child Nutrition Program and related federal programs.” (*Id.* at 14.)

29. The FBI further alleged that “several Feeding Our Future employees set up shell companies that they used to fraudulently misappropriate Federal Child Nutrition Program funds from Feeding Our Future. These employees include Feeding Our Future’s Executive Director, Aimee Bock.” (*Id.* at 50.)

30. Additionally, the FBI alleged that “Feeding Our Future also had its own sites that participated in the Federal Child Nutrition Program” and that it “submitted fraudulent claims for reimbursements of Federal Child Nutrition Program funds for meals purportedly served at nonexistent sites.” (*Id.* at 42.)

31. The FBI further alleged that “approximately \$600,000 in Federal Child Nutrition Program funds were sent to a Wells Fargo account in the name of Handy Helper’s [sic] LLC

between March 2020 and July 2021. Empress Malcolm Watson Jr., who lives with Aimee Bock and is believed to be her boyfriend, is the sole signatory on the account.”

32. The FBI also alleged that Ms. Bock directly received a \$310,000 “kickback” from one of the program sites.

33. Additionally, the FBI alleged that during Ms. Bock’s period of supervision over the corporation, “at least two other Feeding Our Future employees appear to have fraudulently misappropriated federal funds from Feeding Our Future: (1) Abdikerm Abdelahi Eidleh, a ‘Program Support Manager’ at Feeding Our Future; and (2) Hadith Yusuf Ahmed, the ‘Director of Growth and Development.’” (*Id.* at 50.)

34. Feeding Our Future denies that Abdikerm Eidleh and Hadith Yusuf Ahmed were Feeding Our Future employees, but admits that they were independent contractors. (Decl. Ex. 15 at 6–7.) Feeding Our Future alleges that Abdikerm Eidleh was hired to “[a]ssist with financial information, recruit and train sites, monitor sites, [and] train staff,” and that Hadith Ahmed was hired to “[r]ecruit and train sites, monitor sites, [and] train staff.” (Decl. Ex. 18.) Feeding Our Future claims that Eidleh has left the country. (*Id.*)

35. As of January 20, 2022, the FBI alleged that the “scheme is ongoing.”

III. SUBSEQUENT ACTIVITY.

36. On January 20, 2022, the Minnesota Department of Education announced publicly that it moved to immediately terminate Feeding Our Future’s permanent agreements under the federal Child and Adult Care Food Program and Summer Food Service Program, and that it had issued an order to stop payments to the corporation. (Decl. Ex. 19.)

37. On around January 19, 2022, the FBI froze at least \$3.5 million from Feeding Our Future’s bank accounts. (Decl. Ex. 20.) Feeding Our Future acknowledged to the AGO that such

assets could become unfrozen in the future and would be subject to distribution according to the Nonprofit Act. (Decl. Ex. 15 at 6.)

38. Feeding Our Future's bank records indicate that, due to these actions, the corporation is insolvent or at risk of becoming insolvent. (Decl. Ex. 20.)

39. Feeding Our Future has laid off all employees except for Ms. Bock. As of February 28, 2022, Aimee Bock remains the executive director of Feeding Our Future and maintains control over its operations. (Decl. Ex. 15 at 8.)

40. Feeding Our Future told the AGO that it "has taken no disciplinary actions following the FBI investigation and raid" because "staff have gone through all available information to investigate and verify the claims that were submitted for all sites listed in the FBI search warrants" and determined that there was "no noticeable employee error." (*Id.* at 6.)

IV. AGO INVESTIGATION.

41. On February 8, 2022, the AGO issued a Civil Investigative Demand (the "CID") to Feeding Our Future. (Decl. Ex. 14.) In the CID, the AGO alleged that it "has information establishing reasonable grounds to believe that Feeding Our Future has violated or is about to violate the Minnesota Charitable Solicitation Act, Minn. Stat. ch. 309, the Minnesota Supervision of Charitable Trusts and Trustees Act, Minn. Stat. §§ 501B.33–.45, and the Minnesota Nonprofit Corporation Act, Minn. Stat. ch. 317A." (*Id.*)

42. The AGO specifically alleged that it "has reasonable grounds to believe that Feeding Our Future and its officers and directors have, among other things, failed to properly administer and use assets held for charitable purposes; breached fiduciary duties; failed to comply with statutory requirements for nonprofit corporations; made false and/or deceptive representations in connection with the solicitation of donations; and engaged in charitable solicitation without registration." (*Id.*) This investigation is ongoing.

43. On February 22, 2022, after being informed that the corporation had voted to dissolve, the AGO requested that Feeding Our Future refrain from submitting formal dissolution notices to the Secretary of State and to the AGO. (Decl. Ex. 16 at 2.)

44. On February 24, 2022, Feeding Our Future filed with the Secretary of State its Notice of Intent to Dissolve under section 317A.723. (Decl. Ex. 3.)

45. Although Feeding Our Future has voluntarily agreed to forebear further notices to its creditors and formal notice to the AGO under section 317A.811, without court action, this could change at the election of its leadership. Such future notices will start the tolling of deadlines for certain remedies available to the AGO and Feeding Our Future's creditors and claimants. *See* Minn. Stat. §§ 317A.727 (providing creditors 90 days to submit claims), 317A.811 (providing the AGO up to 75 days to object to a dissolution).

46. Federal law enforcement authorities have received advance notice of this Petition.

REQUEST FOR COURT SUPERVISION

47. The “chief purpose” of supervised voluntary dissolution is for the protection “against fraud in the disposition of the assets of the dissolving corporation.” Minn. Stat. Ann. § 302A.741 cmt. (West) (applying near-identical provision of the Minnesota Business Corporation Act).

48. The AGO seeks court supervision to protect against potential fraud and waste, ensure proper oversight over the corporation pending dissolution, reduce potential harm to the corporation's interests that could result from having an officer who is the subject to a criminal investigation directing its affairs, provide for the orderly disposition of assets, and minimize prejudice to the Attorney General's ongoing investigation.

49. By filing its Notice of Intent with the Secretary of State, Feeding Our Future initiated the process to wind down its affairs despite the ongoing AGO and federal investigations,

and has triggered this Court’s authority to supervise the dissolution and issue equitable relief under the Nonprofit Act. *See* Minn. Stat. § 317A.723.

50. Section 317A.741 states that “[a]fter the notice of intent to dissolve has been filed with the secretary of state and before a certificate of dissolution has been issued,” the attorney general “may apply to a court within the county in which the registered office of the corporation is located to have the dissolution conducted or continued under the supervision of the court under sections 317A.751 to 317A.765.”

51. Sections 317A.751 to 317A.765 set forth a process for the orderly disposition of claims and assets.

52. Section 317A.753, subdivision 1 states that “[i]n dissolution proceedings the court may issue injunctions, appoint receivers with powers and duties the court directs, take other actions required to preserve the corporate assets wherever located, and carry on the business of the corporation until a full hearing can be held.”

53. Section 317A.751 states that “[a] court may grant equitable relief in a supervised voluntary dissolution under section 317A.741.”

54. Section 317A.751, subdivision 5 sets forth separate grounds for dissolution or equitable relief, in addition to cases where section 317A.741 applies. These include, but are not limited to, cases where the corporation has committed multiple violations or a single, flagrant violation of chapter 317A, *id.* subdiv. 5(4), made unauthorized conveyances and transfers, *id.* subdiv. 5(5), solicited property and failed to use it for the solicited purpose, *id.* 317A.751, subdiv. 5(12), or fraudulently used or solicited property, *id.* subdiv. 5(13).

55. Section 317A.751, subdivision 6 states that in “determining whether to order equitable relief or dissolution under this section, the court shall consider the financial condition of

the corporation but may not refuse to order equitable relief or dissolution solely on the ground that the corporation is solvent.”

56. Section 317A.753, subdivision 3 states that “[a]fter a full hearing has been held, upon whatever notice the court directs to be given to the parties to the proceedings and to other parties in interest designated by the court, the court may appoint a receiver to collect the corporate assets.”

57. Section 317A.753, subdivisions 4 and 5 direct the order of priority for claims and the proper disposition of remaining assets.

58. Unlike creditors or members, the AGO may obtain supervised voluntary dissolution without any further limitations or proof. *See* Minn. Stat. § 317A.741 (applying “good cause” precondition solely to applications by creditors or members). Nonetheless, as described above, good cause exists for court supervision of Feeding Our Future’s voluntary dissolution.

59. Through this Petition, the AGO waives no rights, powers, privileges, claims, or remedies. The AGO expressly reserves all other rights, privileges, powers, claims, and remedies, including but not limited to all potential claims for liability against Feeding Our Future, its current and former officers and directors, and third parties that may arise from its investigation.

WHEREFORE, the AGO respectfully requests that this Court assume jurisdiction over the dissolution of Feeding Our Future to enable it to order such equitable remedies as the Court determines just and proper upon notice and hearing, including but not limited to:

- a. Enjoining Feeding Our Future from serving notices to its creditors under section 317A.727 and issuing formal notice to the AGO under section 317A.811 until further order from this Court;
- b. Requiring a full accounting;

- c. Requiring check-ins, reporting, timelines, and transparency to the AGO and the Court during the dissolution process;
- d. Issuing injunctions, restrictions, and conditions on Feeding Our Future and its officers and directors for the winding down of its affairs and disposition of its assets;
- e. Appointing a receiver pursuant to section 317A.753;
- f. Determining the claims of claimants and creditors, if any, pursuant to section 317A.759;
- g. Ordering other equitable relief as the Court determines just and proper; and
- h. Entering a decree of dissolution pursuant to section 317A.763.

Dated: March 3, 2022

Respectfully submitted,

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ATTORNEYS FOR STATE OF MINNESOTA

MINN. STAT. § 549.211 ACKNOWLEDGMENT

The party on whose behalf the attached document is served acknowledges through its undersigned counsel that sanctions, including reasonable attorney fees and other expenses, may be awarded to the opposite party or parties pursuant to Minn. Stat. § 549.211.

/s/Carol R. Washington
CAROL R. WASHINGTON
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