

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF RAMSEY

SECOND JUDICIAL DISTRICT

Case Type: Other Civil  
(Charitable/Nonprofit Violations)

Court File No. \_\_\_\_\_

In the Matter of Minnesota Cameroon  
Community**PETITION FOR ORDER  
APPROVING ASSURANCE OF  
DISCONTINUANCE**

The State of Minnesota, by its Attorney General, Keith Ellison, hereby petitions the Court, pursuant to Minn. Stat. § 8.31, subd. 2b, for an Order approving the attached, fully-executed Assurance of Discontinuance between the State of Minnesota, through its Attorney General, Keith Ellison, and Minnesota nonprofit corporation Minnesota Cameroon Community.

Dated: May 11, 2022

Respectfully submitted,

KEITH ELLISON  
Attorney General  
State of Minnesota/s/ Erin E. ContiERIN E. CONTI  
Assistant Attorney General  
Atty. Reg. No. 0395304  
445 Minnesota Street, Suite 1200  
St. Paul, MN 55101-2130  
(651) 583-7750 (Voice)  
(651) 296-1410 (TTY)  
erin.conti@ag.state.mn.us

ATTORNEYS FOR STATE OF MINNESOTA

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF RAMSEY

SECOND JUDICIAL DISTRICT

Case Type: Other Civil  
(Charitable/Nonprofit Violations)

Court File No. \_\_\_\_\_

In the Matter of Minnesota Cameroon  
Community**ASSURANCE OF  
DISCONTINUANCE**

WHEREAS, this Assurance of Discontinuance (“Assurance”) is entered into pursuant to Minnesota Statutes section 8.31, subdivision 2b, between the State of Minnesota, through its Attorney General, Keith Ellison (“State” or “AGO”) and Minnesota Cameroon Community (“MINCAM”);

WHEREAS, the AGO has authority to enforce Minnesota’s laws relating to charitable organizations, charitable trusts, and nonprofit corporations under state statutes and common law, including as *parens patriae*. See, e.g., Minn. Stat. §§ 8.31, 309.57, 317A.813, and 501B.34;

WHEREAS, MINCAM is a Minnesota nonprofit corporation organized under Minnesota Statutes chapter 317A. It owns its registered address, the Minnesota Cameroon Community Center (“CCC”), which is located at 1020 Bandana Boulevard West, St. Paul, Minnesota 55108. MINCAM is exempt from federal income taxation pursuant to Internal Revenue Code 26 U.S.C. § 501(c)(3). MINCAM is not registered with the AGO as a soliciting charitable organization pursuant to Minnesota Statutes section 309.52;

WHEREAS, control of MINCAM and the CCC is fragmented among a combination of a board of directors, a president, a “Representative Assembly,” a “General Assembly,” and a separate CCC Management Team;

WHEREAS, the MINCAM board of directors consists of Isabelle Atem Eyong (Chair), Derick Ngu (Vice Chair), Ntang Elad (Board Secretary), Walter Dobgima (President), Denise Anderson, Stanley Asafor, Hycent Dinga Moforngu, Ernest Elad Forchenela, Thomas Meh, and Mohammed Rabio;

WHEREAS, MINCAM’s officers include President Walter Dobgima, Treasurer Mary Babaya, Financial Secretary Edwige Month, Secretary Divine Ngwang, and Public Relations Officer Edith Rene Tonou;

NOW THEREFORE, the AGO and MINCAM hereby agree to entry of an Assurance of Discontinuance with the following terms and conditions:

### **ALLEGATIONS**

1. The AGO states and alleges as follows:

2. MINCAM is a Minnesota nonprofit corporation based in Saint Paul, Minnesota. Its charitable mission is to “promoted unity and friendship in the Cameroon community in Minnesota;” to “encourage members to participate in the economic, social and cultural activities within the community;” to “be a voice in the community;” and to “provide a forum to discuss matters of pressing importance” to the Cameroon community.

#### **I. MINCAM AND ITS DIRECTORS AND OFFICERS BREACHED THEIR FIDUCIARY DUTIES BY NEGLECTING THE ORGANIZATION’S CHIEF ASSET, CAUSING SUBSTANTIAL DISREPAIR AND HARM.**

3. MINCAM directors and officers have breached their fiduciary duties and committed breaches of trust by neglecting to appropriately manage MINCAM’s chief asset—the CCC. The Minnesota Nonprofit Corporation Act instructs that the “business

and affairs of a corporation must be managed by or under the direction of a board of directors.” Minn. Stat. § 317A.201. MINCAM directors and officers are obligated under state law to discharge their duties “with the care an ordinary prudent person in a like position would exercise under similar circumstances.” Minn. Stat. § 317A.251, subd. 1; *Shepard of the Valley Lutheran Church v. Hope Lutheran Church*, 646 N.W.2d 436, 442 (Minn. Ct. App. 2001).

4. Directors and officers who have control or responsibility for administering a property held for charitable purpose—like those at MINCAM who control the CCC—can also be “trustees.” Minn. Stat. § 501B.35, subd. 4. The failure of a trustee to administer and manage property held for charitable purposes in accordance with the law and consistent with fiduciary obligations constitutes a breach of trust. Minn. Stat. § 501B.41, subd. 6.

5. MINCAM’s officers and directors failed to prudently manage the corporation’s chief asset the CCC by allowing it to fall into disrepair, failing to properly insure it, and failing to pay its property tax liabilities.

6. In 2014, MINCAM engaged in a successful grassroots, small-donor-fueled fundraising campaign to purchase the CCC for \$200,000. MINCAM raised funds for the CCC by appealing to members, making public solicitations on Facebook, and holding events.

7. The CCC is a hub for MINCAM gatherings, community building, and fundraising. MINCAM members have described the CCC as a vital resource for members of MINCAM and the greater St. Paul community to celebrate Cameroonian culture.

8. When MINCAM acquired the CCC, the building was worth more than \$3 million, which was well below the \$200,000 bargain sale price MINCAM paid. MINCAM bought the property for very little cash relative to the “value” of the building.

However, in the acquisition, MINCAM took on the preexisting tax debt for the CCC—an estimated \$98,000 at time of closing.

9. MINCAM leadership failed to timely pay the outstanding property tax debt, and MINCAM's tax liability increased until MINCAM entered a confession of judgment for \$171,664. MINCAM struggled to pay this judgment and only narrowly avoided losing the building to tax debt in 2020.

10. At time of purchase, the building also had a very old boiler system. MINCAM directors and officers neglected the CCC's ailing boiler and outstanding utility bills. MINCAM leadership abandoned its plan to replace the boiler without suitable replacement and has struggled to keep up with its energy bills. Failing to maintain the boiler created catastrophic losses.

11. In February 2021, the CCC flooded after water mains burst due to the building being maintained without any heat in the frigid months because of leadership's failure to properly maintain the boiler or remain current on utilities. There was extensive damage to the property.

12. The impact of that damage was compounded by the fact that MINCAM leadership has not maintained insurance on the CCC since 2017. Consequently, there is no insurance payout coming to help repair the CCC or replace its critical systems. MINCAM's Certificate of Occupancy has been imperiled by these failures to properly maintain the CCC property.

13. As evidenced by recent purchase offers between \$400,000 and \$650,000 for CCC, these problems have caused a substantial diminution of value from CCC's \$3 million value at time of purchase.

14. In short, MINCAM leadership has consistently failed to safeguard the organization's chief asset. These failures amount to breaches of fiduciary duties and

charitable trust in violation of Minn. Stat. §§ 317A.251, subd. 1, 317A.361, subd. 1, and 501B.41, subd. 6. These violations have harmed MINCAM and provide grounds for equitable relief under Minn. Stat. § 317A.751, subd. 5.

**II. MINCAM HAS ENGAGED IN DECEPTIVE SOLICITATION AND FAILED TO USE CHARITABLE ASSETS IN ACCORDANCE WITH DONOR INTENT.**

15. MINCAM has violated Minnesota laws requiring organizations to be clear about the purposes for which charitable funds will be used. “No charitable organization and no person acting on behalf of a charitable organization shall use or employ any fraud, false pretense, false promise, misrepresentation, misleading statement . . . or deceptive practice, method or device, with the intent that others should rely thereon in connection with any charitable solicitation.” Minn. Stat. § 309.55, subd. 5.

16. Charitable trustees must also “administer and manage property held for charitable purposes . . . consistent with fiduciary obligations.” Minn. Stat. § 501B.41, subd. 6. This means using charitable funds for the purposes the donor intended.

17. In 2020, MINCAM leadership told donors they were raising money to support the Cameroon Community Center or pay off the Cameroon Community Center’s tax debt. Yet, MINCAM leadership failed to segregate or use the assets for this specific purpose.

18. The public contributed more than \$60,000 specifically to pay the Cameroon Community Center’s tax debt to Ramsey County. MINCAM paid only \$45,491.52 to Ramsey County. MINCAM could not account for how the other funds were used. MINCAM admits that it does not have policies and procedures for restricting funds to a specific purpose. As such, MINCAM’s statements of solicitation were untrue.

19. Using such false promises to obtain contributions is a violation of Minn. Stat. § 309.55, subd. 5. Failing to use the contributions as promised also constitutes a breach of trust under Minn. Stat. § 501B.41, subd. 6.

**III. MINCAM HAS SOLICITED CHARITABLE CONTRIBUTIONS WITHOUT REGISTERING.**

20. Since its founding, MINCAM has engaged in the solicitation of charitable contributions. Despite these activities, MINCAM has not registered with the AGO as a soliciting charity.

21. Absent statutory exception, any “charitable organization whose total contributions received during any accounting year are in excess of \$25,000 . . . shall file a registration statement with the attorney general within 30 days after the date on which the organization’s total contributions exceeded \$25,000.” Minn. Stat. § 309.52. Each organization required to file under section 309.52 must file an annual report with the AGO. Minn. Stat. § 309.53.

22. MINCAM and its members have participated in extensive public solicitation efforts, pulling in hundreds of thousands of dollars to purchase the Cameroon Community Center, to pay the building’s taxes, and to support other initiatives.

23. The AGO has repeatedly sent MINCAM letters alerting the organization to the fact that it likely needed to register or claim an exemption from registration. MINCAM has neither registered nor claimed an exemption in response to any of those letters.

24. MINCAM has violated Minn. Stat. §§ 309.52, subd. 7 and 309.53 by failing to register with the AGO as a soliciting charity.

**IV. MINCAM HAS FAILED TO MAINTAIN ADEQUATE RECORDS.**

25. Charitable organizations must “maintain, for not less than three years from the date of preparation, accurate and detailed books and records to provide the information required by sections 309.50 to 309.61. All such books and records shall be open to inspection at all reasonable times by the attorney general.” Minn. Stat. § 309.54, subd. 2.

26. Nonprofit corporations are also required to keep “correct and complete copies of its articles and bylaws, accounting records, voting agreements, and minutes of meetings of members, board of directors, and committees having any of the authority of the board of directors for the last six years.” Minn. Stat § 317A.461, subd. 1.

27. Charitable trustees must also “administer and manage property held for charitable purposes . . . consistent with fiduciary obligations.” Minn. Stat. § 501B.41, subd. 6. This means carefully documenting and tracking charitable funds to ensure they are used properly.

28. MINCAM does not maintain such detailed records. Instead, MINCAM keeps inadequate board meeting minutes that do not fully capture actions and votes taken by the board.

29. MINCAM does not maintain reasonable financial records. MINCAM maintained only a handful of summary spreadsheets tracking broad financial details. MINCAM did not track its financial activities for recent years. MINCAM’s records for prior years bore no indicia of having been maintained contemporaneous with incoming and outgoing expenses. Donations were tracked sporadically on handwritten lists and did not consistently track the purpose for which funds were given.

30. Further, MINCAM did not follow the advice of financial experts. MINCAM has issued “reimbursements” to current and past board members and officers



for various expenses without keeping track of itemized receipts. Its accountant concluded “that certain expense reimbursements lacked proper supporting documentation and substantiation of business purpose.” Despite this advice, MINCAM leadership repeatedly ignored calls for greater financial transparency and controls.

31. These deficiencies violate Minn. Stat. §§ 309.54, subd. 2, 317A.461, subd. 1, and 501B.4, subd. 6, and provide grounds for equitable relief under Minn. Stat. § 317A.751, subd. 5.

**V. MINCAM HAS FAILED TO MANAGE ITS AFFAIRS UNDER THE DIRECTION OF ITS BOARD.**

32. MINCAM’s governance structure does not comply with the requirements of the Minnesota Nonprofit Corporation Act, which instructs that the “business and affairs of a corporation must be managed by or under the direction of a board of directors.” Minn. Stat. § 317A.201. Instead, MINCAM has a board of directors, a president, a “Representative Assembly,” a “General Assembly,” and a separate CCC Management team.

33. MINCAM’s bylaws provide for the General Assembly to be the “supreme organ of MINCAM,” yet entitle the “Representative Assembly” to arbitrate any matters of disagreement between the “General Assembly” and the board of directors.

34. This structure is deficient as a matter of statutory form as well as function. When problems—revenue shortfalls, property tax debts, building repairs, etc.—arise, no one entity is responsible for delivering a solution. Instead, these leadership factions routinely dispute the proper course of action.

35. MINCAM’s current structure violates Minn. Stat. § 317A.201 and provides grounds for equitable relief under Minn. Stat. § 317A.751, subd. 5.

36. MINCAM neither admits nor denies the allegations contained in this Assurance.

### **INJUNCTIVE RELIEF**

1. Within 30 days of the Court's approval of this Assurance, the MINCAM board of directors shall:

- a. Revise MINCAM's articles of incorporation and bylaws to (1) place the business and affairs of the corporation under management by or under the direction of a singular board of directors, and (2) prohibit the board from delegating its authority to—or responsibility for—managing MINCAM to other entities (e.g. a Representative Assembly, General Assembly, or similar entity);
- b. Depending on applicability, register with the AGO as a soliciting charitable organization as described by Minn. Stat. § 309.52, or as a charitable trust as defined by Minn. Stat. § 501B.36;
- c. Enact policies requiring reimbursements to be accompanied by appropriate supporting documentation to substantiate their nonprofit purpose;
- d. Create and implement a cash management policy;
- e. Enact policies requiring maintenance of comprehensive board minutes and financial records;
- f. Retain auditors with nonprofit expertise from an outside agency and certified public accountants with nonprofit accounting expertise, and who are independent of the board of directors;
- g. Adopt written conflict of interest, whistleblower, and document retention/destruction policies; and
- h. Conduct a review of MINCAM's other policies and procedures, including but not limited to internal control, signatory authority, financial record-keeping, board approval for significant expenses, and reimbursement of personal expenditures, and create and revise such policies as it determines, within its reasonable judgment, is necessary to address deficiencies and protect MINCAM's assets and other interests.

2. As to the CCC and/or any other physical property MINCAM has or may acquire, MINCAM's board of directors shall:

- a. Maintain and keep in good repair all physical property;
  - b. Acquire and maintain property and liability insurance on the CCC (or any other physical premises MINCAM acquires);
  - c. Comply with state and local laws concerning licensing, occupancy, and taxation;
  - d. Prevent physical property from falling into disrepair, tax foreclosure, or other impairment; and
  - e. Assess—using the board’s reasonable judgment—whether retention of any and all physical assets and property is in the best interest of MINCAM and its mission, and take action accordingly.
3. With respect to donations, MINCAM’s board of directors shall:
- a. Maintain for a period of no less than three years donation records, including the original books and records, or true copies thereof, pertaining to all money or other property collected from residents of this state and to the disbursement of such money or property;
  - b. Use funds in accordance with the purpose for which they were raised; and
  - c. Develop policies and procedures to ensure that funds raised for a particular purpose are solely allocated to that purpose.
4. At all times, MINCAM directors and officers shall:
- a. Maintain the appropriate registration with the AGO;
  - b. Keep correct and complete copies of its articles and bylaws, accounting records, voting agreements, and minutes of meetings of members, board of directors, and committees having any of the authority of the board of directors for the last six years;
  - c. Maintain complete and appropriate financial records, including a statement showing the financial result of all operations and transactions affecting income and surplus during its last annual accounting period and a balance sheet containing a summary of its assets and liabilities as of the closing date of the accounting period;
  - d. Comply with all MINCAM bylaws, policies, procedures; Minnesota law; federal law; municipal law; and common law, including satisfying fiduciary duties, refraining from conflicts of interest, and satisfying charitable solicitation registration requirements;
  - e. Exercise appropriate and attentive supervision, control, and oversight over MINCAM’s employees, directors, officers, and

volunteers who handle MINCAM's finance and accounting functions;

- f. Regularly schedule and attend board meetings, keep unambiguous and accurate meeting minutes documenting the Board's adherence to its written policies and any resolutions approved at such meetings;
- g. Take reasonable steps to ensure none of MINCAM's monies or other assets are expended or otherwise used for an improper purpose, including a purpose in violation of section 501(c)(3) of the Internal Revenue Code, Minnesota Statutes sections 501B.31-.45, or other applicable law;
- h. Ensure all board members are trained on their duties as directors of a nonprofit under Minnesota and federal law.

5. Within 45 days of the Court's approval of this Assurance, the MINCAM board of directors shall provide the AGO with copy of its plan to satisfy the foregoing injunctive relief. MINCAM's board of directors shall provide quarterly updates to the AGO thereafter, apprising the office of MINCAM's progress in achieving each of the objectives listed above.

6. MINCAM directors, officers, employees, and agents shall fully, completely, truthfully, and promptly cooperate with the AGO in any investigation, lawsuit, or future proceeding against any directors, officers, or any other parties relating to, or arising out of, the allegations set forth above.

7. Upon written request of the AGO, MINCAM shall promptly provide accurate, true, and complete information, documents, and data that the AGO, in its sole discretion, deems reasonably necessary to verify compliance with such assurance.

#### **GENERAL TERMS**

8. MINCAM understands that, after the date of the approval of this Assurance by the Court, a violation of this Assurance may subject it to sanctions for contempt pursuant to Minnesota Statutes section 8.31, and the AGO may thereafter, in its

sole discretion, initiate legal proceedings against MINCAM for any and all violations of this Assurance.

9. The claims, remedies, and relief provided for in this Assurance are in addition to all other claims, remedies, and relief available to the State of Minnesota or the AGO.

10. MINCAM shall not state or imply, directly or indirectly, that the State of Minnesota or the AGO has approved of, condones, or agrees with any conduct, actions, or inactions by MINCAM.

11. Nothing in this Assurance shall relieve MINCAM of its obligations to comply with all applicable Minnesota and federal laws and regulations, and court or administrative orders and directives.

12. MINCAM, after having an opportunity to consult with counsel, knowingly, intelligently, and voluntarily waives its First Amendment rights to the extent, if at all, such rights are inconsistent with any of the terms of this Assurance.

13. If this Assurance is violated, MINCAM agrees that any statute of limitations, statute of repose, or other time-related defense applicable to the subject matters of the allegations contained in this Assurance, and any claims arising out of or relating thereto, are retroactively tolled from and after the date of this Assurance.

14. The person signing this Assurance for MINCAM warrants that MINCAM has authorized the person to execute this Assurance, that he or she executes this Assurance in an official capacity that binds MINCAM and its successors, and that MINCAM has been fully advised by its counsel or has voluntarily forgone such advisement before entering into the Assurance.

15. This Assurance may be executed in counterparts, each of which constitutes an original, and all of which shall constitute one and the same agreement. This Assurance may be executed by facsimile or electronic copy in any image format.

16. This Assurance constitutes the full and complete terms of the agreement entered into between MINCAM and the AGO.

17. Service of notices or other documents required or permitted by this Assurance shall be served on the following persons, or any person subsequently designated by the parties to receive such notices, by mail and email at the addresses identified below:

**As to the AGO:**

Erin E. Conti, Assistant Attorney General  
Minnesota Attorney General's Office  
445 Minnesota Street, Suite 1200  
St. Paul, Minnesota 55101  
erin.conti@ag.state.mn.us

**As to MINCAM:**

Board of Directors and President  
Minnesota Cameroon Community  
1020 Bandana Blvd West  
St Paul, MN 55108

**With copy to MINCAM's legal counsel:**

Michael Fondungallah  
2499 Rice Street, Suite 145  
Saint Paul, MN 55113  
mfondungallah@fondlaw.com

18. The failure of a party to exercise any rights under this Assurance shall not be deemed to be a waiver of any right or any future rights.

19. This Assurance, including any issues relating to interpretation or enforcement, shall be governed by the laws of the State of Minnesota.

20. Nothing in this Assurance shall be construed to limit the jurisdiction, power, or authority of the State of Minnesota or the AGO, except as expressly set forth herein with regard to MINCAM.

21. Each of the parties participated in the drafting of this Assurance and agree that the Assurance's terms may not be construed against or in favor of any of the parties by virtue of draftsmanship.

22. Each party shall perform such further acts and execute and deliver such further documents as may reasonably be necessary to carry out this Assurance.

23. Each signatory shall perform such further acts and execute and deliver such further documents as may reasonably be necessary to carry out this Assurance, including that MINCAM shall promptly comply with any reasonable request from the AGO for information regarding verification of their compliance with this Assurance. The AGO shall have all powers specified by Minn. Stat. §§ 8.31, 309.553, 309.57, 317A.813, 501B.40, 501B.41, and all other authority otherwise available for purposes of investigating and remedying violations of this Assurance.

24. The AGO may file this Assurance with the Court without further notice to MINCAM, and the Court may approve of and enter this Assurance *ex parte* and without further proceedings.

25. The Court shall retain jurisdiction of this matter for purposes of enforcing this Assurance, and all signatories hereto consent to the jurisdiction of the Court for the purposes of enforcing this Assurance.

24. The AGO may file this Assurance with the Court without further notice to MINCAM, and the Court may approve of and enter this Assurance *ex parte* and without further proceedings.

25. The Court shall retain jurisdiction of this matter for purposes of enforcing this Assurance, and all signatories hereto consent to the jurisdiction of the Court for the purposes of enforcing this Assurance.

KEITH ELLISON  
Attorney General  
State of Minnesota

Dated: May 10, 2022

By: Erin E. Conti  
Erin E. Conti  
Assistant Attorney General

MINNESOTA CAMEROON COMMUNITY

Dated: 05-10-22

By: Isabelle Atem  
Isabelle Atem  
Board Chair