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**Exempt from Filing and Reporter
Fees – Gov. Code § 6103**

9 SUPERIOR COURT OF THE STATE OF CALIFORNIA

10 COUNTY OF LOS ANGELES

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12
13 **THE PEOPLE OF THE STATE OF CALIFORNIA,**
14 **PLAINTIFF,**
15 **v.**
16 **C.C.O.A. HOUSING CORPORATION, A**
17 **CALIFORNIA NONPROFIT PUBLIC BENEFIT**
18 **CORPORATION, GONG DONALD TOY AKA**
19 **DON TOY, SING FOO AKA SING CHONG,**
20 **JANET LIM, JIMMY VICTORIA AND DOES 1**
21 **THROUGH 50,**
Defendants.

Case No.

COMPLAINT FOR:

1. **BREACH OF FIDUCIARY DUTY**
2. **BREACH OF CHARITABLE TRUST**
3. **REMOVAL OF DIRECTORS**
4. **INVOLUNTARY DISSOLUTION**

22 Plaintiff, the People of the State of California, complains and alleges as follows:

23 1. The Attorney General of California, Rob Bonta (“Attorney General”), who brings this
24 action on behalf of the People, is charged with the general supervision of nonprofit public benefit
25 corporations and all entities and individuals who solicit, obtain, hold, or control property in trust
26 for charitable or eleemosynary purposes in California. The Attorney General has the primary
27 responsibility for supervising charitable trusts, “for ensuring compliance with trusts and articles
28 of incorporation, and for protecting assets held by charitable trusts and public benefit

1 corporations.” (Gov. Code, § 12598.) The Attorney General is authorized to enforce the
2 provisions of the Supervision of Trustees and Fundraisers for Charitable Purposes Act
3 (“Charitable Supervision Act”) (Gov. Code, § 12580 et seq.), and the Nonprofit Corporation Law
4 (Corp. Code, § 5000 et seq.).

5 DEFENDANTS

6
7 2. Defendant C.C.O.A. Housing Corporation (“C.C.O.A.”), a California nonprofit public
8 benefit corporation, was incorporated in California in 1979, issued a corporation number 918534,
9 and has its principal place of business in Los Angeles, California. C.C.O.A.’s Articles of
10 Incorporation state that “[t]he specific and primary purpose for which this corporation is formed
11 is to provide, on a non-profit basis, rental housing and related facilities and services for use and
12 occupancy by elderly persons and handicapped persons pursuant to Section 202/8 of the National
13 Housing Act as amended.” C.C.O.A.’s articles further provide:

14 This corporation is not organized, nor shall it be operated, for pecuniary gain or
15 profit, and it does not contemplate distribution of gains, profits or dividends to
16 members thereof and is organized solely for non-profit purposes. The property, assets,
17 profits and net income of this corporation are irrevocably dedicated to charitable
18 purposes meeting the requirements of Section 214 of the Revenue and Taxation Code,
19 and no part of the profit or net income of this corporation shall ever inure to the
20 benefit of any private individual. Upon the dissolution or winding up of this
21 corporation, its assets remaining after payment of, or provision for payment of, all
22 debts and liabilities of this corporation, shall be distributed to a non-profit fund,
23 foundation or corporation which is organized and operated exclusively for charitable
24 purposes meeting the requirements of Section 214 of the Revenue and Taxation Code
25 and which has established its tax exempt status under Section 501 (c)(3) of the
26 Internal Revenue Code and Section 23701(d) of the Revenue and Taxation Code. If
27 this corporation holds any assets in trust, such assets shall be disposed of in such
28 manner as may be directed by decree of the Superior Court of the county in which
this corporation's principal office is located, upon petition therefore by the Attorney
General or by any person concerned in the liquidation, in a proceeding to which the
Attorney General is named party. The corporation shall at all times have the power to
convey any or all of its property to the Secretary of Housing and Urban Development
or his nominee.

24 3. On information and belief, C.C.O.A. obtained tax-exempt status from the Internal
25 Revenue Service under Title 26 of the United States Code, section 501(c)(3), and from the
26 California Franchise Tax Board on May 9, 1979.

27 4. Defendant C.C.O.A. registered with the Attorney General’s Registry of Charities and
28 Fundraisers (“Registry”) and was issued charity registration number 036316 in 1980. Under

1 Government Code section 12586 and California Code of Regulations, title 11, section 301, every
2 charitable corporation must file with the Registry, annually after initial registration, the California
3 Annual Registration Renewal Fee Report (“Form RRF-1”) and the Internal Revenue Service
4 (“IRS”) Form 990, 990-PF, or 990-EZ (generally, “Form 990”).

5 5. C.C.O.A.’s address of record is 1101 East Oranewood Avenue, Suite 200, Anaheim,
6 CA 92805. Defendant DONALD TOY is C.C.O.A.’s agent for service of process at 600 Wilshire
7 Boulevard, Suite 1250, Los Angeles, CA 90017.

8 6. Plaintiff is informed, believes and thereon alleges, that Defendant GONG DONALD
9 TOY, also known as Don Toy (“TOY”), is a resident of Los Angeles County, California. From
10 incorporation of C.C.O.A. to the present, TOY has been a Director of C.C.O.A. and its President
11 and Chief Executive Officer. Defendant TOY owes fiduciary duties of care and loyalty, including
12 a duty of reasonable inquiry, to C.C.O.A. and its charitable beneficiaries. (Corp. Code, § 5231,
13 subd. (a).)

14 7. Plaintiff is informed, believes and thereon alleges, that Defendant JANET LIM
15 (“LIM”) is a resident of Los Angeles County, California. From 2016 to the present, LIM has been
16 a Director of C.C.O.A. In filings with the Registry, LIM is identified as C.C.O.A.’s Secretary
17 from 2016-2021, and as its Vice President from 2021-2022. Defendant LIM owes fiduciary duties
18 of care and loyalty, including a duty of reasonable inquiry, to C.C.O.A. and its charitable
19 beneficiaries. (Corp. Code, § 5231, subd. (a).)

20 8. Plaintiff is informed, believes and thereon alleges that Defendant SING FOO, also
21 known as Sing Chong (“FOO”), is a resident of Los Angeles County, California. FOO has been a
22 Director of C.C.O.A. since 2016. In filings with the Registry, Defendant FOO is identified as
23 Vice President of C.C.O.A. from 2016-2021, and its Treasurer from 2021-2022. Defendant FOO
24 owes fiduciary duties of care and loyalty, including a duty of reasonable inquiry, to C.C.O.A. and
25 its charitable beneficiaries. (Corp. Code, § 5231, subd. (a).)

26 9. Plaintiff is informed, believes and thereon alleges, that Defendant JIMMY VICTORIA
27 (“VICTORIA”) is a resident of Los Angeles County, California. In filings with the Registry,
28 VICTORIA is identified as a Director and Secretary for C.C.O.A. since 2021. Defendant

1 VICTORIA owes fiduciary duties of care and loyalty, including a duty of reasonable inquiry, to
2 C.C.O.A. and its charitable beneficiaries. (Corp. Code, § 5231, subd. (a).)

3 10. Defendants DOES 1 through 50 are named as fictitious Defendants who have
4 participated with or acted in concert with one or more of the Defendants, or who have acted on
5 behalf of or as agents, servants or employees of one or more of the Defendants named herein, but
6 whose true names and capacities, whether individual, corporate, or otherwise, are presently
7 unknown to Plaintiff. Plaintiff is informed and believes and thereon alleges that Defendants
8 DOES 1 through 50 have directly or indirectly participated in and are responsible for the acts and
9 omissions that are more specifically described herein and Plaintiff's damages as alleged herein
10 were proximately caused by such Defendants. Because Plaintiff is presently uninformed as to the
11 true names and capacities of Defendants DOES 1 through 50, Plaintiff sues them herein by
12 fictitious names, but will seek leave to amend this Complaint when their true names and
13 capacities are discovered.

14 **JURISDICTION AND VENUE**

15 11. At all relevant times, C.C.O.A. transacted business in Los Angeles County, in the
16 state of California; thus, the proper venue is the Los Angeles County Superior Court. Further, this
17 Court has jurisdiction under Article VI, § 10 of the California Constitution.

18 **GENERAL ALLEGATIONS**

19 12. As per its Articles of Incorporation, C.C.O.A. was formed to provide, on a nonprofit
20 basis, rental housing and related facilities and services for use and occupancy by elderly and
21 disabled persons. C.C.O.A. fulfilled this charitable purpose solely through the operation of
22 Cathay Manor Apartments ("Cathay Manor"), a 268-unit, 16-story property located at 600 N.
23 Broadway, Los Angeles, CA 90012. Cathay Manor's operation is financed by the U.S.
24 Department of Housing and Urban Development ("HUD") under a Housing Assistance Payment
25 ("HAP") contract. The HAP contract required, among other requirements, that C.C.O.A. maintain
26 Cathay Manor and provide decent, safe and sanitary housing as further set forth in 24 Code of
27 Federal Regulations part 5.703, et seq.

1 13. The residents of Cathay Manor are low-income senior citizens, many with disabilities
2 or impairments that require them to use wheelchairs or walkers to travel any distance. Residents,
3 particularly those who are disabled, rely on the building’s two elevators to enter or exit their
4 apartments at Cathay Manor.

5 ***Defendants Breached Their Fiduciary Duty to Ensure that C.C.O.A. was Fulfilling its***
6 ***Charitable Purpose by Properly Operating Cathay Manor***

7 14. Pursuant to Corporations Code section 5210 “the activities and affairs of a corporation
8 shall be conducted and all corporate powers shall be exercised by and under the direction of the
9 board.” Corporations Code section 5231, subdivision (a), requires that directors perform their
10 duties in good faith, in a manner such director believes to be in the best interests of the
11 corporation and with such care, including reasonable inquiry, as an ordinarily prudent person in a
12 like position would use under similar circumstances.

13 15. On information and belief, Defendants LIM, FOO, VICTORIA, and DOES 1-50, did
14 not have experience in affordable housing or in operating nonprofit organizations before
15 becoming C.C.O.A. directors and/or officers. Defendants LIM, FOO, VICTORIA, and DOES 1-
16 50, in breach of their fiduciary duty owed to C.C.O.A., abdicated their duty to oversee C.C.O.A.’s
17 activities and affairs and Defendant TOY’s management of C.C.O.A.

18 16. Since at least 2020, Defendant TOY, in breach of his fiduciary duty owed to C.C.O.A.,
19 conducted the activities and affairs of C.C.O.A. without meaningful oversight from its directors.

20 17. Defendants, including DOES 1-50, did not hold board meetings and did not engage in
21 meaningful review of the corporation’s operations or its financial records. (Corp. Code, §§ 5210,
22 5211, subd. (b), 6320.) Defendant TOY, in his sole discretion, selected, hired and oversaw the
23 company charged with managing and maintaining Cathay Manor. Under C.C.O.A.’s bylaws,
24 TOY is allowed to sign those contracts on behalf of C.C.O.A. “that the Board of Directors have
25 authorized to be executed... .” Defendants LIM, FOO, VICTORIA, and DOES 1-50 had no
26 meaningful involvement in the selection of the management company and did not authorize TOY
27 to hire the management company. After Defendants LIM, FOO, VICTORIA, and DOES 1-50
28 became aware that TOY hired the management company without their approval, these Defendants

1 failed to question or address the hiring of the management company, the process by which the
2 management company was selected, whether alternatives were considered, or the terms of the
3 management contract.

4 18. Since at least 2021, Defendants, including DOES 1-50, failed to ensure that Defendant
5 C.C.O.A. maintained basic health and safety conditions at Cathay Manor by, among other things,
6 failing to maintain a fire code-compliant fire safety system, and failing to maintain or repair two
7 inoperable elevators at Cathay Manor for periods between approximately September 2021-
8 November 2021, effectively trapping many elderly residents in the building.

9 19. On at least three occasions from 2017-2022, HUD inspected Cathay Manor and found
10 substandard living conditions. On information and belief, on November 1, 2021, HUD issued a
11 Notice of Regulatory Agreement Violation letter against C.C.O.A. relating to poor living
12 conditions at Cathay Manor, including the two inoperable elevators. On information and belief,
13 on February 15, 2022, HUD issued a Notice of Use Agreement Violation letter and another
14 Notice of Regulatory Agreement Violation letter relating to substandard living conditions at
15 Cathay Manor. On information and belief, on June 15, 2022, HUD issued a Pre-Penalty Notice in
16 which it alleged that C.C.O.A. had breached contractual and regulatory obligations by failing to
17 provide the minimally required safe and sanitary conditions at Cathay Manor, and sought civil
18 money penalties.

19 20. On information and belief, in or around October 2021, the Los Angeles Fire
20 Department cited C.C.O.A. and issued a fire watch at Cathay Manor resulting from C.C.O.A.'s
21 failure to maintain Cathay Manor in accordance with fire safety protocols.

22 21. On information and belief, in or around September and October 2021, the Los Angeles
23 Department of Building and Safety conducted inspections of Cathay Manor and issued multiple
24 orders requiring C.C.O.A. to repair inoperable elevators at Cathay Manor within a specified time
25 period. C.C.O.A. failed to comply with the orders.

26 22. On information and belief, in October 2021, in response to tenant complaints
27 concerning unsafe and unsanitary living conditions at Cathay Manor, including inoperable
28 elevators, the Los Angeles Housing Department issued an order requiring C.C.O.A. to repair

1 Cathay Manor’s elevators within a specified time period. C.C.O.A. failed to comply with the
2 order.

3 23. On information and belief, the living conditions and inoperable elevators at Cathay
4 Manor caused elderly tenants significant ongoing burdens, including difficulties getting groceries,
5 attending doctors’ appointments, and leaving the premises generally.

6 24. On information and belief, Defendant TOY failed to inform Defendants LIM, FOO,
7 VICTORIA, and DOES 1-50, regarding the notices, letters, or orders from HUD, the Los Angeles
8 Fire Department, the Los Angeles Department of Building Safety, or the Los Angeles Housing
9 Department. On information and belief, Defendants LIM, FOO, VICTORIA, and DOES 1-50
10 should have known of the letters, notices, and orders but conducted no reasonable inquiry
11 regarding the operation of Cathay Manor or took no steps to redress the problems once they
12 became aware of them.

13 25. In November 2021, following C.C.O.A.’s ongoing failure to fix Cathay Manor’s
14 broken elevators, the Los Angeles City Council approved a motion to direct public funds to hire,
15 on an emergency basis, a contractor to restore and repair the elevators at Cathay Manor. Under
16 the approved motion and Los Angeles Municipal Code Section 50.00.C.5, the City of Los
17 Angeles was entitled to recover from C.C.O.A. all repair costs incurred and an administrative fee
18 equal to 40% of the cost to perform the actual work of repairing the elevators to cover the City’s
19 costs for administering the repair services contract and supervising the work required. The motion
20 also authorized the execution of a lien on Cathay Manor, under Los Angeles Administrative Code
21 section 7.35.3 (c), to secure the payment of costs and the administrative fee. To the extent
22 C.C.O.A.’s funds were used to pay the administrative fee, such payment was improper and
23 constitutes a waste of charitable assets.

24 ***Criminal Charges Against Defendants C.C.O.A. and Toy***

25 26. On October 21, 2021, the Office of the Los Angeles City Attorney filed 16
26 misdemeanor charges against Defendants C.C.O.A. and TOY, in the Los Angeles County
27 Superior Court, relating to their failure to maintain operable elevators at Cathay Manor, failure to
28 keep the building in good repair, and failure to comply with fire safety protocols. (*The People of*

1 *the State of California v. Gong Toy and C.C.O.A. Housing Corporation* (Super. Ct. L.A. County,
2 2021, No. 1CJ01387).)

3 27. On information and belief, Defendants LIM, FOO, VICTORIA, and DOES 1-50
4 became aware of the criminal charges against C.C.O.A. and TOY through media reports, and
5 subsequently relied entirely on Defendant TOY for further information concerning the criminal
6 charges. On information and belief, after criminal charges were filed, Defendants LIM, FOO,
7 VICTORIA, and DOES 1-50, did not inquire about or seek any letters, notices, or orders from the
8 Los Angeles Department of Building and Safety, HUD, Los Angeles Fire Department, or Los
9 Angeles Housing Department concerning the problems at Cathay Manor or their legal
10 consequences to C.C.O.A.

11 ***C.C.O.A.'s Sale of Cathay Manor***

12 28. Defendant TOY decided to sell Cathay Manor in 2022. On information and belief, the
13 decision to sell Cathay Manor was made solely by Defendant TOY. Defendants LIM, FOO,
14 VICTORIA, and DOES 1-50, received all information concerning potential buyers and offers
15 orally from Defendant TOY. Defendants LIM, FOO, VICTORIA, and DOES 1-50, did not
16 receive and never requested any documents from TOY related to the decision to sell, any offer or
17 potential buyer. Defendants LIM, FOO, VICTORIA and DOES 1-50 did not independently seek
18 any information concerning any offer or potential buyer of Cathay Manor.

19 29. On January 10, 2023, Defendant TOY, on behalf of both himself and C.C.O.A.,
20 entered into a settlement agreement with HUD arising from Defendants' alleged failure to
21 maintain minimally adequate safe premises at Cathay Manor. Under the terms of the settlement,
22 C.C.O.A. and TOY were required to pay a \$1,500,000 civil penalty and sell Cathay Manor to a
23 third party that was not to be directly or indirectly owned or controlled by, affiliated with, or
24 related to TOY.

25 30. On information and belief, the entirety of the civil penalty under the January 10, 2023,
26 settlement agreement with HUD was paid using C.C.O.A.'s funds; TOY did not personally pay
27 any of the civil penalty required under the settlement agreement. On information and belief,
28 Defendants LIM, FOO, VICTORIA, and DOES 1-50, either were not aware of and did not vote to

1 approve CCOA's settlement with HUD and the use of CCOA's charitable assets to pay that
2 settlement, or they did not challenge and allowed TOY to use C.C.O.A.'s charitable assets to pay
3 the civil penalty settlement.

4 31. On March 28, 2023, C.C.O.A. entered into an agreement to sell Cathay Manor to
5 House of David Preservation, Inc., a nonprofit benefit corporation incorporated in the District of
6 Columbia, for \$97,000,000. The purchase price was to be paid in two installments: \$27,000,000
7 due on the closing date, and the remaining \$70,000,000 due on the first day of the 25th month
8 following closing.

9 32. On April 24, 2023, C.C.O.A. purported to provide the Attorney General with a 20-day
10 notice of the sale of Cathay Manor under Corporations Code section 5913. On April 28, 2023, the
11 Attorney General notified C.C.O.A. that the notice was defective. On May 15, 2023, C.C.O.A.
12 resubmitted a 20-day notice to the Attorney General. In connection with the notice, C.C.O.A.
13 advised the Attorney General that it had no plan for the use of the proceeds from the sale.

14 33. C.C.O.A. and the Attorney General entered into a Stipulation of Conditional Waiver
15 of Objection on June 13, 2023. The stipulation provides that the Attorney General would waive
16 objections to the transaction on the condition that the net proceeds of the sale (following the
17 payment of existing C.C.O.A. debts and regular operating expenses) be placed in a restricted
18 account preventing C.C.O.A. from accessing the funds without further written approval from the
19 Attorney General. That agreement remains in effect.

20 34. The sale of Cathay Manor closed on June 15, 2023. Following the payment of existing
21 debts and operating costs, C.C.O.A. deposited approximately \$8,000,000 into a restricted bank
22 account. As of January 31, 2024, C.C.O.A. has more than \$8,500,000 in the restricted bank
23 account.

24 35. Since the sale of Cathay Manor, Defendant C.C.O.A. does not operate any affordable
25 housing facilities and conducts no charitable programs. All of its assets, which should be used
26 toward accomplishing its charitable mission, are sitting idle and the interests of C.C.O.A.'s
27 charitable purpose and the public are therefore suffering.

28

1 36. Despite the fact that C.C.O.A. was unable to fulfill its sole charitable purpose by
2 properly operating Cathay Manor, that the settlement with HUD prohibited TOY from
3 involvement with Cathay Manor, and C.C.O.A.'s payment of \$1,500,000 in civil penalties,
4 Defendants LIM, FOO, VICTORIA, and DOES 1-50 took no steps to remove or replace TOY or
5 otherwise address the problems with C.C.O.A.'s operations and sale in breach of their fiduciary
6 duty.

7 ***Failure to Observe Basic Corporate Formalities and Failure to Keep and Maintain***
8 ***Records in Breach of Fiduciary Duty and Standard of Care Entrusted to Board of Directors***

9 37. The duties of directors as to any acts or omissions in connection with the election,
10 selection, or nomination of directors is governed by Corporations Code section 5231. (Corp.
11 Code, § 5232, subd. (a).) As the directors of a nonprofit public benefit corporation, C.C.O.A.'s
12 directors must exercise their duty of care and good faith, "including reasonable inquiry, as an
13 ordinarily prudent person in a like position would use under similar circumstances." (Corp. Code,
14 § 5231, subd. (a).)

15 38. Under Corporations Code section 5213, subdivision (b), and C.C.O.A.'s bylaws,
16 C.C.O.A.'s officers are to be elected annually by directors. At all relevant times, C.C.O.A. did not
17 hold annual elections of officers and effectively had none other than TOY. Defendant TOY in his
18 sole discretion selected and appointed Defendants LIM, FOO, VICTORIA, and DOES 1-50 to
19 their director and officer positions. On information and belief, Defendants LIM, FOO,
20 VICTORIA, and DOES 1-50 acquiesced and never questioned TOY's selection and appointment
21 of directors and officers, in breach of their fiduciary duty.

22 39. Defendants LIM, FOO, VICTORIA, and DOES 1-50, had no background in
23 affordable housing or experience operating a charitable corporation responsible for providing
24 affordable housing at the time they joined C.C.O.A.'s board of directors. On information and
25 belief, Defendant TOY selected Defendants LIM, FOO, VICTORIA, and DOES 1-50, as
26 directors because he knew they would fail to fulfill their duties and responsibilities as directors,
27 thereby providing TOY control over C.C.O.A. with no meaningful oversight by them.

28

1 40. On information and belief, Defendant TOY falsely reported Defendants LIM, FOO,
2 VICTORIA, and DOES 1-50 as holding various officer positions in IRS Form 990s. Defendants
3 LIM, FOO, VICTORIA, and DOES 1-50 were unaware or uncertain of those reported officer
4 positions, and failed to perform any of the duties required for the office they were reported to
5 hold. During the relevant time period, each of Defendants LIM, FOO, VICTORIA, and DOES 1-
6 50, failed to inquire about or seek the appointment of officers for C.C.O.A. and failed to ensure
7 that someone was performing the duties required of each office.

8 41. Nonprofit public benefit corporations are required to keep written records of minutes
9 of the proceedings of its board members, among other requirements, in the operation of the
10 nonprofit. (Corp. Code, §§ 5211, subd. (b), 6320.) C.C.O.A. did not conduct meetings of the
11 board of directors required by law or its bylaws. To the extent that Defendant TOY purported to
12 “meet” with other directors, no written notices of such meetings, as required under Corporations
13 Code section 5511, were created. On information and belief, Defendants also failed to create and
14 maintain written minutes of its board proceedings or actions. Defendants LIM, FOO, VICTORIA,
15 and DOES 1-50 never reviewed C.C.O.A.’s records or filings, including the annual filings with
16 the IRS, such as the IRS Form 990s, the filings with the Secretary of State, such as the Statement
17 of Information, or filings with the Registry, including the Form RRF-1.

18 ***Filing of False Statements and Misrepresentations in Filings with the Attorney General’s***
19 ***Registry of Charities and Fundraisers***

20 42. Government Code section 12599.6, subdivision (g), states that a person “shall not
21 knowingly submit for filing on behalf of any charitable organization any statement, report,
22 financial statement, attachment, or other information to be filed with the Attorney General that
23 contains information, a statement, or an omission that is false or misleading.” A nonprofit
24 corporation is required to file IRS Form 990 with the IRS and submit it to the Registry as part of
25 their required annual filings with the Registry. (Gov. Code, § 12586; Cal. Code Regs., tit. 11, §
26 305 et seq.) For the years 2006-2016, Defendant TOY signed IRS Form 990s, under penalty of
27 perjury, and filed them with the Registry. These IRS Form 990s identify Tung Sheng Liu as a
28 director of C.C.O.A. Tung Sheng Liu died on or around May 3, 2009.

1 43. Although C.C.O.A. filed IRS Form 990s with the Registry asserting that Defendant
2 LIM was C.C.O.A.'s Secretary from 2016-2021, on information and belief, Defendant LIM was
3 unaware of holding such position and never performed any of the duties of Secretary for
4 C.C.O.A.

5 44. Under California Code of Regulations, title 11, sections 301 and 306, nonprofit public
6 benefit corporations are required to annually file Form RRF-1 and IRS Form 990 with the
7 Registry, with the forms being signed under penalty of perjury. During the relevant time period,
8 C.C.O.A.'s IRS Form 990s filed with the Registry all falsely asserted that C.C.O.A.
9 contemporaneously documents board meetings and actions, and reported that Defendants LIM,
10 FOO, VICTORIA, and other individuals held officer positions with C.C.O.A. On information and
11 belief, and contrary to assertions in C.C.O.A.'s IRS Form 990s, Defendants LIM, FOO,
12 VICTORIA and DOES 1-50 were not provided copies of the IRS Form 990s before they were
13 filed with the IRS or the Registry.

14 ***Failure to Provide Information to the Attorney General***

15 45. A nonprofit public benefit corporation, such as C.C.O.A., is subject at all times to
16 examination by the Attorney General, to ascertain the condition of its affairs and whether it has
17 failed to comply with trusts which it has assumed or has departed from the purposes for which it
18 is formed. (Gov. Code, § 12588; Corp. Code, § 5250.) The Attorney General may request a
19 charitable corporation to supplement its annual reporting to include such additional information
20 as the Attorney General deems necessary to enable the Attorney General to ascertain whether the
21 corporation is being properly administered. (Cal. Code Regs., tit. 11, § 307.)

22 46. Government Code section 12588 authorizes the Attorney General to investigate
23 transactions and relationships of charitable corporations and trustees to determine whether the
24 purposes of the corporation are being carried out, including transactions between nonprofit
25 entities operated by the same directors.

26 47. The Attorney General may institute, in the name of the state, the proceeding necessary
27 to correct the noncompliance or departure. (Corp. Code, § 5250; Gov. Code, §§ 12591, 12596.)
28

1 48. C.C.O.A.'s audited financial statements for the fiscal years ending June 30, 2021 and
2 June 30, 2022 disclose that TOY transferred more than \$550,000 from C.C.O.A. to The Teen Post
3 Corporation for "temporary staffing assistance" over the two fiscal years.

4 49. The Teen Post Corporation is a nonprofit public benefit corporation, incorporated in
5 California in 1967 and has its principal place of business in a suite at Cathay Manor in Los
6 Angeles, California. Defendant TOY is the Chief Executive Officer and Agent for Service of
7 Process for The Teen Post Corporation. Defendant LIM is the Secretary and Chief Financial
8 Officer for The Teen Post Corporation. The Teen Post Corporation's Articles of Incorporation
9 state that the "specific purpose in which the Corporation is primarily to engage is that of
10 conceptualizing, promoting, developing and implementing community action programs calculated
11 to assist poverty communities in meeting the developmental needs of youth..." as well as a
12 number of other purposes related to the development of teens and youth.

13 50. C.C.O.A.'s IRS Form 990s for the fiscal years ending June 30, 2021 and June 30,
14 2022 falsely assert that C.C.O.A. is not related to any tax-exempt entity and do not report the
15 transactions to The Teen Post Corporation that are reported in C.C.O.A.'s audited financial
16 statements.

17 51. Despite its reported receipt of a transfer of \$550,000 from C.C.O.A, the Teen Post
18 Corporation's Form RRF-1 for the fiscal year ending June 30, 2021 reports gross annual revenue
19 of only \$11,000 – a discrepancy of more than \$440,000 from the amount C.C.O.A. reported in its
20 audited financial statement as having transferred to The Teen Post Corporation for that year.

21 52. Contrary statements on IRS Form 990s notwithstanding, Defendant TOY operates
22 additional nonprofit organizations. The Chinese Committee on Aging of Los Angeles is a
23 nonprofit public benefit corporation, incorporated in California in 1975 and has its principal place
24 of business in a suite at Cathay Manor, in Los Angeles, CA. Defendant TOY is the Chief
25 Executive Officer and Agent for Service of Process for The Chinese Committee on Aging of Los
26 Angeles.

27 53. Chinatown Area Post, Inc. is a nonprofit public benefit corporation, incorporated in
28 California in 1979 and has its principal place of business in a suite at Cathay Manor, in Los

1 Angeles, CA. Defendant TOY is the Chief Executive Officer and Agent for Service of Process for
2 Chinatown Area Post, Inc. Defendant LIM is the Secretary and Chief Financial Officer for
3 Chinatown Area Post, Inc.

4 54. On February 16, 2024, the Attorney General requested in writing that C.C.O.A.
5 produce documents and information, by March 4, 2024, related to all transactions between
6 C.C.O.A. and any entity for which TOY, any relative of TOY, or any C.C.O.A. director has had a
7 financial interest or has served as an officer or director. C.C.O.A. has not respond to the request.

8 55. On March 4, 2024, the Attorney General served letters to The Teen Post Corporation
9 and Chinese Committee on Aging of Los Angeles requesting documents and information,
10 including information concerning transactions with any of their officers or directors, or any entity
11 in which any officer or director has a financial interest, or serves as an officer or director. The
12 Office of the Attorney General requested that each of these charities produce the requested
13 documents and information by March 25, 2024. They did not respond to the Attorney General's
14 request.

15 56. On March 15, 2024, and March 20, 2024, the Attorney General notified C.C.O.A. of
16 its failure to produce documents and information and requested that they be promptly produced,
17 and reminded The Teen Post Corporation and Chinese Committee on Aging of Los Angeles of
18 their outstanding requests. To date, C.C.O.A., The Teen Post Corporation, and the Chinese
19 Committee on Aging of Los Angeles have not responded to the Attorney General's request for
20 documents and information.

21 **FIRST CAUSE OF ACTION**

22 **BREACH OF FIDUCIARY DUTY**

23 **(AGAINST DEFENDANTS TOY, LIM, FOO, VICTORIA, AND DOES 1-50)**

24 57. Plaintiff re-alleges and incorporates by reference as though fully set forth herein each
25 of the allegations in Paragraphs 1 through 56 of this Complaint.

26 58. Defendants TOY, LIM, FOO, VICTORIA, and DOES 1-50 each owe a fiduciary duty
27 to C.C.O.A. and are responsible for the corporation's activities and affairs. (Corp. Code, § 5210.)
28 A director must perform their duties "in good faith, in a manner that director believes to be in the

1 best interests of the corporation and with such care, including reasonable inquiry, as an ordinarily
2 prudent person in a like position would use under similar circumstances.” (Corp. Code, § 5231.)

3 59. Defendants TOY, LIM, FOO, VICTORIA and DOES 1-50 breached their fiduciary
4 duties as described in Paragraphs 1 through 56 by failing to adequately oversee the maintenance,
5 operation, and sale of Cathay Manor, failing to observe corporate formalities, failing to keep and
6 maintain required records, and causing false statements and misrepresentations to be filed with
7 the Attorney General’s Registry.

8 60. In addition to the breaches of fiduciary duty set forth above, Defendants C.C.O.A.,
9 TOY, LIM, FOO, VICTORIA and DOES 1-50 have caused C.C.O.A. to fail to comply with the
10 Attorney General’s written requests for documents and information issued on February 16, 2024,
11 or the follow up requests on March 15 and March 20, 2024, in breach of their fiduciary duties
12 owed to C.C.O.A.

13 61. Government Code section 12591 authorizes the Attorney General to file a complaint
14 to secure compliance with the Charitable Supervision Act. (See also, Gov. Code, § 12596.)
15 Corporations Code section 5250 authorizes the Attorney General to institute proceedings to
16 correct noncompliance or departures by public benefit corporations.

17 **SECOND CAUSE OF ACTION**

18 **BREACH OF CHARITABLE TRUST**

19 **(AGAINST DEFENDANTS TOY, LIM, FOO, VICTORIA, AND DOES 1-50)**

20 62. Plaintiff re-alleges and incorporates by reference as though fully set forth herein each
21 of the allegations in Paragraphs 1 through 61 of this Complaint.

22 63. As a public benefit corporation, C.C.O.A. holds all of its funds and other assets in trust
23 for charitable purposes. (Gov. Code, §§ 12582, 12582.1; Bus. & Prof. Code, § 17510.8; *Queen of*
24 *Angels Hospital v. Younger* (1977) 66 Cal.App.3d 359, 365.) A corporation would not have the
25 power to use its charitable assets to indemnify a director where that director failed to act in good
26 faith or in a manner they reasonably believed to be in the best interest of the corporation. (See
27 Corp. Code, § 5238.) Indeed, in performing their duties, directors must act in good faith, in the
28 best interests of the corporation, and with the care, including reasonable inquiry, of an ordinarily

1 prudent director in similar circumstances. (Corp. Code, § 5231.)

2 64. Defendants TOY, LIM, FOO, VICTORIA, and DOES 1-50 are responsible for
3 overseeing C.C.O.A.'s activities and affairs. (Corp. Code, § 5210.) Defendants TOY, LIM, FOO,
4 VICTORIA, and DOES 1-50 breached their fiduciary duty of acting in good faith and care,
5 including reasonably inquiry, by failing to adequately oversee Cathay Manor's operations and
6 management, and causing unsafe conditions for Cathay Manor's tenants. Defendants LIM, FOO,
7 VICTORIA, and DOES 1-50 further breached their duty by unreasonably providing TOY
8 unfettered control over the management and operations of Cathay Manor and incurring
9 \$1,500,000 in civil penalties.

10 65. The individual Defendants' and DOES 1-50's breaches of their fiduciary duties caused
11 C.C.O.A. to fail to provide safe and sanitary conditions at Cathay Manor, including by failing to
12 provide operable elevators between approximately September 2021-November 2021. Those
13 breaches in fiduciary duty caused the dispute between C.C.O.A. and TOY, on the one hand, and
14 HUD on the other, that resulted in the January 10, 2023, settlement agreement between those
15 parties.

16 66. Defendants TOY, LIM, FOO, VICTORIA, and DOES 1-50 committed a breach in
17 charitable trust by causing C.C.O.A.'s charitable assets to be used to pay the \$1,500,000 civil
18 penalty under the January 10, 2023, settlement with HUD. C.C.O.A. did not have the power to
19 indemnify Defendants TOY, LIM, FOO, VICTORIA, and DOES 1-50 as it relates to the unsafe
20 and unsanitary conditions they caused at Cathay Manor because those individuals did not act in
21 good faith and could not reasonably have believed that they were acting in the best interests of
22 C.C.O.A. (Corp. Code, § 5238, subd. (b).)

23 67. Defendants TOY, LIM, FOO, VICTORIA, and DOES 1-50 also committed a breach
24 of charitable trust after November 2021 to the extent that C.C.O.A.'s charitable assets were used
25 to pay the City of Los Angeles's administrative fee of 40% of the cost to perform the work of
26 repairing Cathay Manor's elevators.

27 68. The Attorney General has authority to remedy any breach of charitable trust against
28 Defendants TOY, LIM, FOO, VICTORIA, and DOES 1-50, under Corporations Code sections

1 5142, subdivision (a)(5), section 5250, and Government Code section 12598.

2 69. Under Government Code section 12591.1, subdivision (f), this Court may issue an
3 order for an accounting against Defendants.

4 **THIRD CAUSE OF ACTION**

5 **REMOVAL OF DIRECTORS**

6 **(AGAINST TOY, LIM, FOO, VICTORIA, AND DOES 1-50)**

7 70. Plaintiff re-alleges and incorporates by reference as though fully set forth herein each
8 of the allegations in Paragraphs 1 through 69 of this Complaint.

9 71. The Attorney General is authorized to file a complaint for removal of directors of a
10 nonprofit public benefit corporation pursuant to Corporations Code section 5223, subdivision (b).

11 72. Defendants TOY, LIM, FOO, VICTORIA, and DOES 1-50, are each subject to
12 removal under Corporations Code section 5223, subdivision (a). Defendant TOY is subject to
13 removal for dishonest acts under Corporations Code section 5223, subdivision (a), for causing the
14 filing of IRS Form 990s for the fiscal year 2009-2016, and 2021-2022 containing false material
15 statements about C.C.O.A.'s officers, directors, and records maintenance, and for causing
16 C.C.O.A. to incur administrative fees and civil penalties and causing them to be improperly paid
17 with charitable assets.

18 73. Each of Defendants TOY, LIM, FOO, VICTORIA, and DOES 1-50, are also subject
19 to removal under Corporations Code section 5223, subdivision (a), because each has breached
20 their fiduciary duty of good faith and care, including reasonable inquiry, as an ordinarily prudent
21 person in a like position would use under similar circumstances. Each individual Defendant has
22 breached their duty of good faith and care by failing to properly authorize the hiring of a
23 management company, and failing to adequately oversee Cathay Manor's operations and
24 management. LIM, FOO, VICTORIA, and DOES 1-50 further breached their duty of good faith
25 and care by effectively providing TOY unfettered control over the management of Cathay Manor,
26 the appointment of officers and directors, and the sale of Cathay Manor. Each director and DOES
27 1-50 failed to adequately maintain required books and records of the meetings of the board of
28 directors. Defendant TOY also breached his duties by filing false statements with the State of

1 California concerning the officer positions held by the other directors.

2 74. Under Government Code section 12591.1, subdivision (f), this court may appoint a
3 receiver pending and following the removal of each of C.C.O.A.'s directors.

4 **FOURTH CAUSE OF ACTION**
5 **INVOLUNTARY DISSOLUTION**
6 **(AGAINST C.C.O.A. HOUSING CORPORATION)**

7 75. Plaintiff re-alleges and incorporates by reference as though fully set forth herein each
8 of the allegations in Paragraphs 1 through 74 of this Complaint.

9 76. The Attorney General is authorized to file a complaint for involuntary dissolution of a
10 nonprofit public benefit corporation pursuant to Corporations Code section 6510, subdivision
11 (a)(5).

12 77. C.C.O.A. is subject to involuntary dissolution pursuant to the California Corporations
13 Code because (1) those in control of the corporation have been guilty of or have knowingly
14 countenanced persistent and pervasive mismanagement of the organization, (2) C.C.O.A. is
15 failing and has continuously failed to carry out its purpose for the reasons stated in Paragraphs 1
16 through 74 above, and (3) C.C.O.A. has abandoned its activity for more than one year. (Corp.
17 Code, § 6510, subds. (b)(1), (b)(5)-(6).)

18 78. Defendants mismanaged C.C.O.A. to the point that it was subject to criminal
19 prosecution for building code violations and the loss of funding by HUD. Since the time
20 Defendants LIM, FOO, VICTORIA and DOES 1-50 joined C.C.O.A.'s board of directors, each
21 has caused mismanagement of C.C.O.A. by abdicating the duties and responsibilities of their
22 positions, thereby also breaching their fiduciary duties of care and reasonable inquiry.
23 Defendants, including DOES 1-50, have further mismanaged C.C.O.A. and continuously caused
24 it to fail to carry out its purpose by failing to maintain basic adequate living conditions for
25 vulnerable elderly tenants at Cathay Manor, failing to maintain required business books and
26 records, and filing documents with false material statements with the Registry. As a result of
27 Defendants' pervasive and persistent mismanagement, C.C.O.A. was required to sell Cathay
28 Manor, the only charitable program it had ever conducted. For the same reasons, C.C.O.A. has

1 failed and continues to fail to carry out its purposes. Moreover, C.C.O.A. effectively abandoned
2 its activity when it failed to maintain even the most basic safe conditions for tenants at Cathay
3 Manor, to an allegedly criminal degree, in or around September 2021 to November 2021, and
4 when it closed the sale of Cathay Manor on June 15, 2023.

5 79. The Defendants have no plan or capability to fulfill C.C.O.A.'s charitable purposes
6 going forward and its charitable assets are being wasted. As a result, it is necessary that C.C.O.A.
7 be dissolved and its assets transferred to an appropriate charitable entity that can actually fulfill
8 the charitable purposes for which C.C.O.A.'s assets were raised.

9 80. Under Corporations Code section 6513, this court may appoint a receiver to take over
10 and manage the affairs of the corporation and to preserve its property pending the determination
11 of the complaint for dissolution if it has reasonable grounds to believe that the charitable purpose
12 of the corporation, the corporation's interest, or the public will otherwise suffer.

13 **PRAYER FOR RELIEF**

14 WHEREFORE, Plaintiffs pray for judgement as follows:

15 1. That the Court order the involuntary dissolution of C.C.O.A. Housing Corporation
16 under the provisions of Corporations Code section 6410 et seq., and pursuant to the provisions of
17 the Corporations Code section 6518, provide for satisfaction of all of its lawful debts, and
18 establish a procedure for determining the disposition of all remaining assets of C.C.O.A. Housing
19 Corporation in a manner consistent with its charitable purposes, including the transfer of all
20 remaining assets to a qualified charitable entity that will provide low-income senior housing;

21 2. That, in the alternative to dissolution of C.C.O.A. Housing Corporation, the Court
22 order the removal of C.C.O.A. Housing Corporation's directors, Defendants TOY, LIM, FOO,
23 and VICTORIA, under Corporations Code section 5223, and appoint new directors for C.C.O.A.

24 3. For the appointment of a receiver of C.C.O.A. Housing Corporation under
25 Corporations Code section 6216, Government Code section 12591.1, subdivision (f), and
26 Business and Professions Code section 6513 pending the dissolution of C.C.O.A. Housing
27 Corporation or removal of all its directors.

28 4. For an order directing Defendant C.C.O.A. Housing Corporation to provide an

1 accounting of all financial transactions with any of its officers or directors, or any entity in which
2 any officer or director had a financial interest, or serves as an officer or director from 2014 to the
3 present and to surcharge the Defendants for all amounts for which they are unable to properly
4 account;

5 5. For damages against Defendants TOY, LIM, FOO, VICTORIA, and DOES 1-50
6 in an amount to be determined following an accounting, plus interest at the legal rate until the
7 judgment is paid;

8 6. For an order declaring that C.C.O.A. Housing Corporation violated and continues
9 to violate the Supervision of Trustees and Fundraisers for Charitable Purposes Act by failing to
10 provide the Attorney General with information and documents requested pursuant to Government
11 Code section 12588 and for filing false reports with the Registry under penalty of perjury (Cal.
12 Code Regs., tit. 11, § 307);

13 7. For attorneys' fees and costs incurred in the investigation and enforcement of this
14 matter pursuant to Government Code sections 12597 and 12598;

15 8. For civil penalties pursuant to Government Code section 12591.1, subdivision (c);
16 and

17 9. For such other and further relief as the Court may deem just and proper.

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THIS COMPLAINT IS DEEMED VERIFIED UNDER THE PROVISIONS OF CODE OF
CIVIL PROCEDURE SECTION 446.

Dated: December 20, 2024

Respectfully submitted,
ROB BONTA
Attorney General of California
JOSEPH N. ZIMRING
Supervising Deputy Attorney General



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State of California*

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