

JURISDICTION

- 3) Both Plaintiff and Defendant have direct connections to Middlesex County enabling this Court to exercise jurisdiction.

VENUE

- 4) Venue is properly laid in this Court pursuant to M.G.L.c.214, section 54 and G.L.c.223, section 1.

INTRODUCTION

- 5) This lawsuit filed on behalf of MassGOP seeks to obtain a declaratory judgment concerning the defendant Patrick Crowley individually and as Treasurer of the Massachusetts Republican State Committee. The allegations that follow describe a pattern of behavior depicting an intentional, unlawful, interference with the business affairs of the MassGOP, disrupting MassGOP advantageous business relationships with third-party creditors, contractors, and regulatory agencies. The specific conduct of the Defendant is unlawfully outside the scope of his duties of the MassGOP Treasurer, and in breach of his fiduciary duties as the elected Treasurer of the MassGOP.

The requested relief is narrow and carefully tailored to obtain a declaratory judgment recognizing Patrick Crowley is liable for intentional interference with advantageous business relations and is in breach of his fiduciary duties. Mr. Crowley intentionally and repeatedly and continuously has interfered with the contractual business

obligations of the MassGOP. Among the normal and necessary business obligations of the Plaintiff are monthly rent payment, payroll expenses, medical insurance coverage for eligible MassGOP employees, and payments to existing vendors whose responsibilities include timely filing of reports to the Commonwealth of Massachusetts Office of Campaign and Political Finance (OCPF), and other statutory reporting requirements. Treasurer Crowley, based on an unlawful abuse of his apparent authority, suspended all expenditures from the MassGOP operating bank account with Berkshire. Mr. Crowley's efforts to disrupt the business affairs of the Plaintiff are ongoing.

This is not a lawsuit requesting court intervention of a political issue, nor is this action to be construed as an invitation to this Court to regulate the inner workings of the statutorily enabled Republican State Committee. There is no intention to substitute the court's view for that of those vested by law with the control of MassGOP business affairs. [See Spiegel v. Beacon Participations, Inc., 297 Mass. 219, 321 (1950)].

Rather at issue here are the repeated, continuous, damaging actions of Patrick Crowley. He refuses to discuss the motivation or consequences of his actions with the State Committee for which he serves as Treasurer except through email. His insistence upon creating and exposing the Plaintiff to numerous civil claims from contractors, employees and its landlord; as well as civil and criminal enforcement actions from state and federal regulatory commissions including but not limited to the Office of Campaign and Political Finance (Massachusetts) the Attorney General, and the Federal Election Commissions should be declared unlawful by this Court and curtailed.

STATEMENT OF FACTS

A. MEETING OF REPUBLICAN STATE COMMITTEE JANUARY 27, 2022

- 6) On January 27, 2022 at 6:04 p.m., at a duly called meeting of the Massachusetts Republican State Committee held at the Apex Entertainment Center located in Marlboro, Massachusetts, Chairman Jim Lyons called the meeting to order. (See Affidavit of James J. Lyons, Jr., Exhibit A)

- 7) The notice of the meeting was timely sent to all the members of the State Committee. Notice of the meeting included an agenda as to the business to be conducted at the meeting including presentation of a 2022 budget. (See Affidavit of James J. Lyons, Jr.)

- 8) A quorum was declared after roll call was completed by the Chairman. (See Affidavit of James J. Lyons, Jr., Exhibit A, and Patricia Saint Aubin, Exhibit B)

- 9) Earlier in the day, at approximately 5:40 p.m., 20 minutes before the state committee meeting started, Chairman Lyons received a telephone call from defendant Patrick Crowley who left a message as follows:

"Hey Jim, (It's) Pat, got your message. I have no issue with the budget. As far as my report for tonight, I'm going to, as I said in my email, I am going to always brief to the last full month that we had and then I will do ERN Report January as we move forward, just because mid-month I don't have a chance to compare against the bank statement and really vet stuff as the month is in close. If you want to talk to the others but as far as my report, I will talk as to what I sent as a Treasurer. I am on my way to the meeting, you can give me a call or we can talk when I get there." (See Affidavit of James J. Lyons, Jr.)

- 10) As first agenda item to be addressed, Committeewoman and representative of the standing Budget Committee Patricia Saint Aubin was recognized by the Chair to

present the Budget. (See Affidavit of Patricia Saint Aubin)

11) Motion to Approve to approve the state committee budget was made by committee member John McCarthy, which was properly seconded by committeeman Richard Baker, and thereafter put to a voice vote. All voice votes were recorded as affirmative, no voice vote against. (See attached Minutes of Meeting, Exhibit C). (See attached Affidavit of Patricia St. Aubin).

12) Patrick Crowley moved from the glass enclosed meeting room to an ante-room where he was observed and heard to say at that time: "That's it. No bills are getting paid from here on out." (See Affidavit of Wendy Wakeman, Exhibit D)

13) At approximately 8:07 p.m. the meeting was adjourned. (See Minutes of Meeting, Exhibit C)

B. POST MEETING ACTIONS OF PATRICK CROWLEY

14) On or about February 4, 2022, MassGOP staff was advised by Berkshire Bank's legal counsel office that Patrick Crowley made a personal appearance at the Worcester Branch of Berkshire Bank on January 31, 2022. At that place and time, Mr. Crowley made a demand upon Berkshire Bank to stop all activity from the MassGOP operating account until further notice.

15) As a result, based on Patrick Crowley's apparent authority, Berkshire Bank entered on their bank system a "Post No Debit" order as demanded by Defendant Patrick Crowley resulting in an effective freeze on the MassGOP operating account, preventing MassGOP from carrying on its usual and customary business affairs.

16) According to the Vice President and General Counsel of Berkshire Bank, a "Post No Debit" (PND) order is a very extraordinary bank action which is rarely requested. A

PND order is usually reserved for events of clear and convincing allegations of bank fraud, or sometimes utilized due to violations of international banking regulations. Effectively, a PND posting to an account stops all outgoing funds, consistent with Treasurer Crowley's announcement that "no bills are getting paid from here on out".

- 17) On February 1, 2022, Patrick Crowley sent an email message to Chairman Jim Lyons that "... no further spending will be authorized by me as the Treasurer until such time as a budget is approved by at least 40 regular members of the committee. This includes all expenses that are on automatic payment such as rent and payroll."
- 18) On February 2, 2022 at 4:38 p.m., Chairman Lyons was notified by MassGOP staff employee Elizabeth Groot, that a debit card associated with the operating bank account at Berkshire Bank was not honored when a payment to MassGOP cell phone service provider was attempted earlier that day.
- 19) Patrick Crowley's demand upon Berkshire Bank to enter a "Post No Debit" on its operating account, caused MassGOP's rent payment, via electronic fund transfer (EFT), to its landlord Cummings Properties, to be dishonored. (See attached Exhibit E).
- 20) On February 2, 2022 at 12:58 p.m., Patrick J. Crowley sent an email message to Chairman Jim Lyons and others stating:

All,

I am writing to confirm I am not absent or unavailable to approve payments on behalf of the State Committee and as such I am not authorizing the assistant treasurer to make payments on behalf of the committee.

If any of you have questions on this or any other matters relating to my position as treasurer, I am willing to answer your questions via e-mail. So that there is no misunderstanding regarding this situation I will not be

discussing this via phone.

21) On February 3, 2022, at 8:09 a.m. Patrick Crowley repeated his email message set forth above in the foregoing paragraph.

22) On the following dates and times Patrick Crowley repeated his email message set forth above:

February 4, 2022
February 5, 2022
February 6, 2022
February 7, 2022
February 8, 2022
February 9, 2022
February 10, 2022
February 11, 2022
February 12, 2022
February 13, 2022
February 14, 2022

23) Based on information and belief, on a date subsequent to his initial demand to halt all MassGOP expenditures, unlawfully using his apparent authority as Treasurer and signor on the account, Patrick Crowley again personally visited a branch of Berkshire Bank requesting his "Post No Debit" demand be enforced by the bank.

24) On February 8, 2022, Patrick Crowley contacted Berkshire Bank's General Counsel stating:

"... it is inappropriate for Berkshire bank to get involved in political and legal dispute within the Massachusetts GOP. State and Federal campaign finance laws do not authorize the chairman to make these changes. Should you execute on the chairman's request, you are opening yourself up to campaign finance law violations. I would advise you to seek legal and regulatory advice. Further, I will be in direct contact with the OCPF and FEC on this matter."

25) Patrick Crowley is familiar with the MassGOP budget and the recurring costs of its business operations which flow through its Berkshire Bank operating account. The recurring expenditures include, but are not limited to: payroll, rent, medical insurance, contracts with political and campaign compliance professionals (Henry Allen Group) and contracts with other vendors.

26) Because Patrick Crowley as MassGOP Treasurer, is the custodian of MassGOP funds (as defined by MassGOP By Laws¹) and is entrusted as a fiduciary with a measure of control over substantial funds, Mr. Crowley has power to inflict great losses through a breach of his fiduciary duties, and upon the unlawful exercise of his apparent authority as Treasurer and signor of Berkshire Bank accounts.

27) Officers of statutorily enabled political committees have fiduciary duties to the committee, which arises whenever one-party reposes trust and confidence in another person who has knowledge of the other's reliance on him. [See Broomfield v. Kosow, 349 Mass. 749, 755 (1965)]. See also Doe v. Harbor Schools, Inc. 446 Mass. 245, 252-253 (2006).

28) Reportedly, and based on communications with Berkshire Bank, Mr. Crowley has appeared at Berkshire Bank repeatedly demanding the bank enter, and continue in place, a "Post No Debit" order on funds belonging to the MassGOP.

¹ The Treasurer of the State Committee shall be the custodian of all funds of the State Committee including internal State Committee accounts, and shall be responsible for the maintenance of detailed books of accounts of all monies received and paid in accordance with generally accepted accounting principles. The Treasurer shall also be responsible for complying with any campaign or political finance laws, including preparation and filing of all necessary reporting documents. The Treasurer shall give reports to the State Committee of the financial state of the treasury at each regular meeting. The Treasurer shall have the responsibility for authorizing approved payments from State Committee funds within the limited of the total budget. In the absence or unavailability of the Treasurer but with the Treasurer's knowledge, the Assistant Treasurer shall have the power to make such payments. The Treasurer and Assistant Treasurer and all State Committee personnel whose duties involve the collection, disbursement or accounting for State Committee funds shall be bonded in an amount determined by the Executive Committee and the State Committee shall pay any premium for such bond. No person other than the Treasurer and Assistant Treasurer shall have authority to make payments from State Committee funds.

- 29) The fiduciary duties of the office of Treasurer do not include unlawful, arbitrary and capricious efforts, to close down the Republican State Committee, preventing the committee from conducting normal business affairs, bearing in mind Mr. Crowley had acknowledged his agreement with the proposed budget immediately prior to the committee meeting of January 27, 2022.
- 30) Patrick Crowley is duly licensed by the Commonwealth of Massachusetts as a Certified Public Accountant (CPA) and is therefore subject to its Code of Professional Responsibility and subject to its regulations thereunder.
- 31) In his efforts to become the elected Treasurer of the Massachusetts Republican State Committee, Mr. Crowley touted his standing as a CPA, thus qualified to perform the fiduciary duties as elected Treasurer.
- 32) As a CPA, Mr. Crowley is obliged to: "... not knowingly misrepresent facts, ..." [See 252 CMR 3.01(2)].
- 33) Patrick Crowley is a member of the American Institute of Certified Public Accountants (AICPA) and subject to its Code of Professional Conduct thereunder.
- 34) As a member of the AICPA subject to its rules of professional conduct, Patrick Crowley "... shall not commit an act discreditable to the profession". [See AICPA Code of Professional Responsibility]
- 35) The MassGOP has relied on Mr. Crowley as a CPA to perform his fiduciary duties in his role as custodian of its funds.
- 36) On or about February 7, 2022, in order to avoid defaulting on its legal and financial obligations as to payroll, rent, medical insurance, and compliance with Office of Campaign and Political Finance regulations; MassGOP successfully removed the "Post No Debit" order on its operating account at Berkshire Bank.
- 37) Based on his past actions, and continuous announcements of his intentions to disrupt the business affairs of the MassGOP, Patrick Crowley remains a clear and continuing danger to the business of MassGOP.

CAUSES OF ACTION

I. Intentional Interference with advantageous contractual relations

38) Plaintiff MassGOP repeats, realleges and incorporates by reference all those facts and allegations set forth in paragraphs 1 through 37 above, and further states:

39) MassGOP has existing advantageous contracts of employment with several employees (See Affidavit of James J. Lyons, Jr.).

40) MassGOP has an existing advantageous contract with the Henry Allen Group to ensure compliance with State and Federal regulations imposing mandatory reporting requirements among other obligations.

41) MassGOP has an existing advantageous contract for medical insurance coverage with HSA Harvard Pilgrim as provider covering certain eligible employees.

42) Defendant Patrick Crowley, by virtue of his position as Treasurer of the MassGOP, having familiarity with and prior approval, and through his custodial role of MassGOP funds, has actual knowledge of the existence of the advantageous contracts of MassGOP referenced above.

43) Defendant Patrick Crowley, intentionally, willingly, voluntarily and without justification, unlawfully did act to jeopardize, unstabilize and/or induce third parties to procure a breach of MassGOP's advantageous contracts, by contacting Berkshire Bank, under cloak of apparent authority, demanding a "Post No Debit" order to be placed on the operating account of the MassGOP, causing in fact reliance by Berkshire Bank, fraudulently inducing the bank, to enter such "Post No Debit" order on the account, thus leading to default by the MassGOP of advantageous contracts,

and jeopardizing advantageous existing business relations.

44) As a direct result of the unlawful violations of the Defendant Patrick Crowley, MassGOP has incurred damage including but not limited to time, effort, and expense to rehabilitate advantageous business contracts and relations with third parties.

II. Breach of Fiduciary Duty

45) Plaintiff MassGOP realleges and incorporates by reference all those facts and allegations in paragraphs 1 through 44 above, and further states:

46) As Treasurer Patrick Crowley is a fiduciary vested with the sweeping generality of utmost good faith and loyalty to the Massachusetts Republican State party.

47) As Treasurer Patrick Crowley breached his duty of good faith and loyalty through various, and continued efforts, to prompt Berkshire Bank to suspend, freeze, or otherwise terminate payment of ordinary and necessary expenses from funds belonging to the MassGOP, thus placing the MassGOP in default of its financial obligations.

48) As Treasurer Patrick Crowley has a duty of care in discharging his role as Officer of MassGOP. As such, Mr. Crowley must, in good faith, with appropriate care that a person in a like position would reasonably believe appropriate under similar circumstances; and in a manner he reasonably believes to be in the best interests of the MassGOP.

49) As Treasurer Patrick Crowley has breached his fiduciary duty of care to the Massachusetts Republican State Committee by his unlawful, unjustified, unprofessionally motivated, repeated attempts and demands, and through his unlawful abuse of apparent authority, prompted Berkshire Bank to suspend expenditures of MassGOP funds to meet its contractual obligations and to maintain its advantageous business relations.

DAMAGES

50) As a direct result of Defendant Patrick Crowley's breach of fiduciary duty, the Plaintiff has incurred damage, including but not limited to, time, effort and expenses of rehabilitating advantageous business relationships; time, effort and expenses of information its members of the interruptions of its normal business affairs, time, effort and expenses in informing state and federal regulatory oversight authorities of its business and reporting obligations.

CONCLUSION/REQUEST FOR RELIEF

Wherefore, the Plaintiff demands this Court enter a declaratory judgment that the Defendant is liable for intentional interference with the Plaintiff's business relationships and contracts with third parties; and to enter a declaratory judgment that the Defendant has breached his fiduciary duties as Treasurer of the Massachusetts Republican State Committee; and for this Court to enter a permanent injunction restraining the Defendant from any and all actions intending to disrupt the ongoing business affairs of the MassGOP; and the costs and attorney's fees incurred in this action, and for such other relief as this Court deems reasonable and just.

Respectfully Submitted,

DATED: February 14, 2022

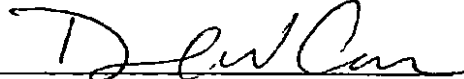

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EXHIBIT A

COMMONWEALTH OF MASSACHUSETTS

MIDDLESEX, SS.

SUPERIOR COURT
DOCKET NO.: _____

JAMES J. LYONS, CHAIRMAN,)
MASSACHUSETTS REPUBLICAN)
STATE COMMITTEE (MASSGOP),)
Plaintiff)
v.)
PATRICK J. CROWLEY,)
Defendant)

AFFIDAVIT OF JAMES "JIM" J.
LYONS, JR., CHAIR,
MASSACHUSETTS REPUBLICAN
STATE COMMITTEE

I, James J. Lyons, Jr. do hereby depose and state upon oath as follows:

- 1) I am the duly elected Chairman of the Massachusetts Republican State Committee (MassGOP), plaintiff in the above-captioned matter.
- 2) I have read the Complaint for declaratory judgment concerning the defendant Patrick Crowley.
- 3) I personally received on my cell phone a voice message from Patrick Crowley on January 27, 2022 at approximately 20 minutes before 6:00 p.m., in which he stated that he had no issue with the committee's budget scheduled to be voted upon at the meeting of the MassGOP scheduled to commence at 6:00 p.m. that evening. Mr. Crowley's voice message is accurately transcribed and set forth in the Complaint.
- 4) I presided as Chairman over the state committee meeting held January 27, 2022, and described in the Complaint. I verify that the budget as presented by Patricia Saint Aubin, and presented by a properly seconded Motion to Approve the budget, passed by unanimous voice vote. No opposition being heard.

- 5) I further verify the actions of Patrick Crowley as described in the Complaint are true and accurate based on my personal knowledge and observations, as to those described actions of Patrick Crowley that are not within my personal knowledge or observation, I believe the descriptions to be true and accurate.

- 6) As a result of Patrick Crowley's actions described in the Complaint, the MassGOP has incurred the expense of this lawsuit, time, attention, and expense of MassGOP staff, including myself, to repair, rehabilitate, and re-establish advantageous business relations with the landlord of our rented office space; our employees; our contractors who are obliged to comply with timely reporting regulations enforced by various state and federal oversight authorities; our medical insurance providers, and other usual and customary business relations and commitments specifically impacted by Treasurer Crowley's actions.

- 7) The proposed Minutes of the meeting attached as an Exhibit to the Complaint, were drafted by Evan Lips, communications director of the MassGOP are true and accurate.

Signed under the pains and penalties of perjury this 14 day of February, 2022.

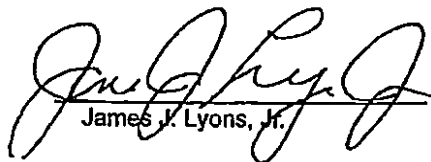

James J. Lyons, Jr.

EXHIBIT B

COMMONWEALTH OF MASSACHUSETTS

MIDDLESEX, SS.

SUPERIOR COURT
DOCKET NO.: _____


JAMES J. LYONS, CHAIRMAN,)
MASSACHUSETTS REPUBLICAN)
STATE COMMITTEE (MASSGOP),)
Plaintiff)
v.)
PATRICK J. CROWLEY,)
Defendant)

AFFIDAVIT OF PATRICIA SAINT AUBIN

I, Patricia Saint Aubin, do hereby depose and state upon oath as follows:

- 1) I am a member of the Massachusetts Republican State Committee. I serve as chair of the standing Budget Committee.
- 2) On January 27, 2022, immediately after roll call conducted by Chair Lyons established a quorum at approximately 6:15 p.m., and after the pledge of allegiance by Marty Lamb, I was recognized by the Chair to present the budget before the committee for approval.
- 3) While at the podium in front of the assembled members, I addressed the meeting, stated the budget, (copies of which had been distributed to all members prior to the meeting) had been unanimously approved by the budget committee.
- 4) Immediately thereafter, a Motion to Approve the Budget was made by member John McCarthy, and seconded by member Richard Baker.
- 5) The Motion to Accept the Budget was presented to the committee for a voice vote. All votes were in favor, with no opposition voiced, thus the budget was passed.

Signed under the pains and penalties of perjury this 14th day of February, 2022.



Patricia Saint Aubin

EXHIBIT C

**Meeting Minutes
Massachusetts State Committee
Thursday, Jan. 27, 2022**

The meeting on Jan 27th at 6:04 p.m. the chairman began the reading of the role.

A point of order was raised by State Committeeman John Miller during roll call.

There was discussion, and the point of order was ruled out of order by the parliamentarian. Roll call continued and a quorum was established.

State Committeeman Marty Lamb was recognized to lead us with the Pledge of Allegiance. He also led the meeting with a moment of silence recognizing Holocaust Remembrance Day.

Budget Committee Chairwoman Patricia Saint Aubin was recognized and gave the budget report. The budget was reported out of the Budget Committee unanimously. Her report included the fact that a motion was made to second it. The State Committee approved the budget unanimously.

Election Commission Committee Chairwoman Kathy Lynch was recognized. She presented to the committee a resolution "opposing all forms of vaccine and vaccine passport mandates." The motion was made to second it and the motion was passed unanimously.

MassGOP Vice Chairman Jay Fleitman gave the vice chairman's report, which focused on candidate recruitment efforts.

Public Relations Committee Chairman Sid Starks gave his report and discussed working with and supporting our candidates, and mentioned several different strategies for social media outreach including the use of memes.

Wendy Wakeman gave the convention report. She discussed the importance of working together to elect delegates to the May 21 Republican State Convention in Springfield.

National Committeewoman Janet Fogarty gave her report. She also spoke about the importance of supporting our candidates.

There was a motion made to adjourn.

The committee adjourned at 8:07 p.m.

The foregoing minutes were drafted by MassGOP Communications Director Evan Lips and are subject to approval at the next meeting of the State Committee.

EXHIBIT D

COMMONWEALTH OF MASSACHUSETTS

MIDDLESEX, SS.

SUPERIOR COURT

DOCKET NO.: _____

JAMES J. LYONS, CHAIRMAN,)
MASSACHUSETTS REPUBLICAN)
STATE COMMITTEE (MASSGOP),)
Plaintiff)

AFFIDAVIT OF WENDY WAKEMAN

v.)

PATRICK J. CROWLEY,)
Defendant)

I, Wendy Wakeman, do hereby depose and state upon oath as follows:

- 1) I am familiar with MassGOP officers, the committee members, the business affairs and overall operation of the MassGOP.
- 2) I was present at a MassGOP State Committee meeting held January 27, 2022 at the Apex Entertainment complex in Marlboro, Massachusetts.
- 3) I was stationed outside the glass enclosed meeting room, close to the entry doors.
- 4) I observed Patricia Saint Aubin at the podium addressing the committee when I then observed Treasurer Patrick Crowley move from the meeting room to enter the ante-room where I was stationed.
- 5) I heard Mr. Crowley state in a loud manner: "That's it. No bills are getting paid from here on out."

- 6) As Mr. Crowley made the above announcement of his intentions as Treasurer, it appeared that he was not speaking to anyone in particular but announcing to anyone present within hearing distance his intentions not to address expenditures.

Signed under the pains and penalties of perjury this 13 day of February, 2022.



Wendy Wakeman

From: Rob Phillips <rp3@henryalan.com> EXHIBIT E
Sent: Thursday, February 03, 2022 4:26 PM
To: David Carr <david@davidcarrlaw.com>
Subject: FW: NSF/Returned EFT Notification - Mass Republican Party #755000

From: Melody Smith <mas@cummings.com>
Sent: Thursday, February 3, 2022 1:25 PM
To: Rob Phillips <rp3@henryalan.com>
Cc: Dave Harvey <dhh@cummings.com>; Accounting <Accounting@cummings.com>
Subject: NSF/Returned EFT Notification - Mass Republican Party #755000

Good afternoon Rob,

We have received notification from the bank that your February EFT payment of \$3,319.84 was returned because "*Account Frozen*". A fee of \$35 has been charged to your account for this return. Please let us know when you can make a payment.

Thanks in advance for your assistance.

Sincerely,

Melody

Melody A. Smith | Accounting Associate | Cummings Properties
www.cummings.com | Direct: 781-932-7057 | mas@cummings.com

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