

**IN THE SUPERIOR COURT OF THE DISTRICT OF COLUMBIA
(Civil Division)**

THE MASONIC AND EASTERN STAR HOME :
OF THE DISTRICT OF COLUMBIA :
CHARITIES, INC. :
8403 Colesville Road :
Suite 640 :
Silver Spring, MD 20910 :

Plaintiff, :

v. :

Case No.: 2024-CAB-007835

GEORGE E. PEREZ :
4507 Neptune Drive :
Alexandria, VA 22309 :

Defendant. :

COMPLAINT FOR DAMAGES AND RELATED EQUITABLE RELIEF

Plaintiff, The Masonic and Eastern Star Home of the District of Columbia Charities, Inc. (“MESH” or “Plaintiff”), by and through its attorneys, Alexia Kent McClure and Stein Sperling Bennett De Jong Driscoll PC, hereby sues for damages and related equitable relief against Defendant George E. Perez (“Defendant Perez”), stating as follows:

INTRODUCTION

1. MESH is a charity established by an Act of Congress in 1902. It is organized as a non-profit corporation, maintained pursuant to Internal Revenue Code § 501(c)(3). For over 120 years MESH has pursued its mission to provide for the welfare and care of needy sisters and brothers of the Grand Chapter, Order of the Eastern Star (“OES”) of the District of Columbia and The Grand Lodge F.A.A.M. of the District of Columbia (“Grand Lodge—DC”), along with their spouses and dependent children.

2. The Board of Directors of MESH governs MESH and its business and affairs.

3. Defendant Perez was a member of the MESH Board of Directors for several years. His term ended in January 2024.

4. By operation of law, Defendant Perez while a member of the MESH Board of Directors owed to MESH certain fundamental duties, including a fiduciary duty of due care, and fiduciary duties of loyalty and disinterestedness that encompass good faith.

5. By written contract, detailed below, Defendant Perez owed contractual duties to MESH, including in most pertinent part, that he contractually was bound to conduct his activities with MESH so that he did not advance or protect his own interest or the private interest of others with whom he had a relationship, in a manner detrimental to the interest or fundamental mission of MESH.

6. Defendant Perez overwhelmingly failed and refused to honor his fundamental and contractual duties to MESH.

7. Defendant Perez turned his fundamental, fiduciary, and contractual duties on their head.

8. At all times pertinent hereto, while conducting his activities with MESH, Defendant Perez actively pursued his self-interest and the interests of others with whom he had a relationship to the detriment of MESH.

9. At all times pertinent hereto, while conducting his activities with MESH, Defendant Perez persistently undermined MESH.

10. While Defendant Perez was a member of the MESH Board of Directors, he played a key role as a mole for a group whose actions threatened MESH's mission and existence as it had been known for > 120 years.

PARTIES

11. As stated, MESH is a charity established by an Act of Congress in 1902. MESH is organized as a non-profit corporation, maintained pursuant to Internal Revenue Code § 501(c)(3). For the vast majority of the past two decades, MESH has maintained its principal place of business in Montgomery County, Maryland.

12. Defendant Perez is an adult individual who resides in the Commonwealth of Virginia, upon information and belief is employed by the Small Business Administration, and at all times pertinent hereto has been a Mason in the District of Columbia, including a member of Potomac Lodge No. 5 with a principal place of business at 1212 Wisconsin Ave NW, Washington, DC, and Justice-Columbia Lodge No. 3 with a principal place of business at 2800 16th St NW, Washington DC. These purposeful contacts with the District of Columbia underpin the subject matter of this action.

JURISDICTION

13. This Court has subject matter jurisdiction of this matter pursuant to D.C. CODE §11-101 (2001) and §11-921(a) (2001).

14. This Court has personal jurisdiction over Defendant Perez pursuant to D.C. CODE §13-422 (2001) and §13-423 (2001). The claims for relief herein arise from acts enumerated in §13-423, including (a)(1), (a)(3), and/or (a)(4).

PERTINENT FACTS

15. At the outset of MESH in 1902, founders from Grand Chapter, Order of the Eastern Star (“OES”) were looking for a way to help care for their aged or infirm members and members’ orphans, and petitioned Congress for a charter.

16. MESH’s purposes include, in pertinent part, as follows:

To assist the homeless, the sick, the needy and/or the infirm, including the members of the District of Columbia Masonic and Eastern Star organizations and legal

dependent family in need, by providing financial aid and other support. This includes, but not limited to: housing, health care, long term care, at home services, medical, nursing, appropriate residential and nursing care at appropriate facilities, physical and mental health care services, civic, recreational, social and cultural activities, and other services ancillary thereto, to the extent that MESH is able to so provide and under such terms and conditions as the Board of Directors of MESH deems appropriate under the circumstances; and

To distribute property and extend financial aid and support through grants, gifts, contributions, or other assistance to qualified Section 501(c)(3) organizations and other appropriate donees for charitable purposes and engage in other purposes and activities as permitted by Section 501(c)(3) of the Internal Revenue Code and the Treasury Regulations thereunder[.]

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17. Pursuant to MESH's Bylaws, specifically Article V, Section 5.1 titled, "MANAGEMENT," "The business and affairs of MESH shall be managed, directed, and controlled by the Board of Directors which shall be the governing body of MESH."

18. Defendant Perez was a member of the MESH Board of Directors for two 3-year terms from January 2018 to January 2024.

19. At all times pertinent hereto, the expressly communicated written role and expectations of individual Board members of MESH, include the following:

- Know the organization's mission, policies, programs, and needs;
- Be familiar with and follow MESH bylaws, policies, and resolutions;
- Comply with board ethics policies and proactively communicate potential conflicts;
- Faithfully read and understand MESH's financial statements;
- Serve as active advocates and ambassadors for MESH and fully engage in identifying and securing the financial resources and partnerships necessary for MESH to advance its mission;
- Leverage connections, networks, and resources to develop collective action to fully achieve and promote MESH's mission and programs;
- Identify personal connections that can benefit the organization's fundraising and reputational standing;
- Prepare for, attend, and conscientiously participate in board meetings and events;
- Participate fully in one or more committees of MESH;
- Maintain confidentiality about all internal MESH matters;
- Sign an annual conflict of interest policy disclosure;

- Make an annual financial commitment to MESH in accordance with MESH policies.

20. Defendant Perez grossly disregarded and failed to abide by at least ten of the twelve enumerated material components of role and expectations of a MESH Board member. The last component, any annual financial commitment to MESH, was not an exception to Defendant Perez's gross disregard and failure to abide by his duties, including but not limited to those enumerated above.

21. MESH's Bylaws at Article VII, Section 7.3, provides, in pertinent part,

Every member of the Board of Directors must annually sign a statement which affirms that he or she has read the Conflicts of Interest policy, has received a copy of the policy, understands said policy, agrees to abide by said policy and understands the necessity of said policy to ensure MESH maintains its tax-exempt status by operating as a charitable organization.

22. Defendant Perez declined to read the Bylaws of MESH. Meanwhile, he knew and admitted under oath that bylaws are foundational to corporate governance.

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23. Over time Defendant Perez received, read, understood, and agreed to comply with a number of conflict of interest policy agreements with MESH.

24. Defendant Perez most recently assented to and signed a conflict of interest policy agreement with MESH on or about January 28, 2023. Defendant Perez also earlier assented to and signed a conflict of interest policy agreement with MESH, including on or about January 21, 2022.¹ The 2023 agreement supplements and does not supersede the 2022 agreement. Defendant Perez is bound by the terms of the conflict of interest policy agreements (Exhibits 1(a) and 1(b) collectively referred to herein as, "Agreement").

¹ A copy of Defendant Perez's conflict of interest policy agreement with MESH of or about January 21, 2022 is attached hereto as Exhibit 1(a) and adopted herein. A copy of Defendant Perez's most recent conflict of interest policy agreement with MESH is attached hereto as Exhibit 1(b) and adopted herein.

25. The Agreement provides, in pertinent part, that:

I will conduct my activities with MESH so that I do not advance or protect my own interest, or the private interest of others with whom I have a relationship, in a way that is detrimental to the interest of, or to the fundamental mission of MESH.

26. The Agreement requires, in pertinent part, that “[i]n every instance” in which Defendant Perez was a member of the MESH Board of Directors, he “w[ould] conduct [his] activities in a manner best appropriate to the interest of MESH.”

27. An underpinning of the Agreement is a Conflict of Interest Policy (“Policy”).² An express term of the Agreement provides for following the Policy standards.

28. The Agreement provides, in pertinent part, “that each director “has a duty to avoid conflicts of interest[.]”

29. A Policy term incorporated in the Agreement provides, in pertinent part, “Directors [] are fiduciaries of the Corporation and, as such, in addition to the above, must act fully in accordance with the common law and State of Maryland law relating to fiduciary duties.”

30. As part of the longstanding practice and policy of avoiding conflicts of interest, any member of the MESH Board of Directors having a duality of interest or possible direct or indirect conflict of interest shall disclose that to the Board, and shall not vote or use his/her personal influence on the matter, and shall not participate in deliberation or decision of certain matter, and shall not be counted in determining whether a quorum for a meeting exists.

31. Defendant Perez actively and consistently failed and refused to comply with the Agreement and Policy incorporated therein, and thwarted the spirit of the Agreement and Policy.

² A copy of the Conflict of Interest policy statement is attached hereto as Exhibit 2 and adopted herein.

32. MESH has an assembly that comprises about 70 constituent seats. The primary purpose of each assembly constituent is as a liaison with various chapters and lodges to identify and facilitate aid or care to persons in need.

33. Up to six constituents of the MESH assembly source from Grand Lodge—DC.

34. In or about January 2018 and January 2021, Grand Lodge—DC put forward Defendant Perez for a 3-year term as a constituent of the MESH assembly.

35. In or about November of 2021, Daniel Huertas nominated Defendant Perez for a second three-year term commencing January 2022 as a constituent of the MESH assembly. Unbeknownst to MESH, this term for Defendant Perez was intended to benefit Defendant Perez and interests of persons in a group (referenced at ¶ 10 above) separate from MESH.

36. On April 15, 2022, MESH filed a civil action captioned MESH v. Daniel Huertas, Y h, Civil Case No. C-15-CV-22-001607 in the Circuit Court for Montgomery County, Maryland (“Circuit Court”). A declaratory judgment claim led the action, and several tort claims followed, including tortious interference claims with related civil conspiracy and aiding and abetting liability claims (“Maryland DJ Action”). In the Maryland DJ Action, MESH sought declaratory relief, injunctive relief, and damages, from the group of individual defendants (“defendants”).

37. Defendant Perez knew of the origin and filing of the Complaint for Declaratory, Equitable and Related Relief (filed April 15, 2022) initiating the Maryland DJ Action.³

38. Daniel Huertas was part of the defendants group in the Maryland DJ Action.

³ On June 27, 2023, Defendant Perez testified as a non-party witness in the Maryland DJ Action (“Perez dep.”) at 19, ll. 11-22; and at 20, l. 1.

39. On or about August 25, 2022, the Circuit Court entered a Consent Order in the Maryland DJ Action. That Consent Order resolved a then pending motion for preliminary injunction filed by MESH to mitigate against risk of likely irreparable harm to it from any of the defendants. The Consent Order, provides, in pertinent part, that defendant(s) shall not:

- (b) directly or indirectly communicate, reveal, or solicit any financial information from MESH;
- (c) directly or indirectly communicate with any member of the Board of Directors of MESH in a way designed, in whole or in part, to influence the business or purpose of MESH

40. The Consent Order remains in full and force and effect. In fact, by agreement of all parties in the Maryland DJ Action, the Consent Order survives the negotiated resolution of the Maryland DJ Action memorialized on or about September 26, 2024.⁴

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41. In or about the Fall of 2022, Defendant Perez accepted an appointment as an officer for Grand Lodge—DC. This was a senior appointment that comes with a vote in Grand Lodge—DC. This was his stepping stone to an elected officer role with Grand Lodge—DC.⁵

42. In furtherance of MESH's interest, mission, and the Consent Order, by letter dated January 18, 2023, MESH, by its Chair of the Board, sent a letter to, among others, Defendant Perez as a Board member, requesting information regarding communication received/sent since entry of the Consent Order in or about August 2022 with any of the defendants in the Maryland DJ Action.⁶

⁴ A copy of the Consent Order is attached hereto as Exhibit 3 and adopted herein.

⁵ In isolation this act was not a breach of the Agreement or a violation of his fundamental and fiduciary duties to MESH.

⁶ A copy of the letter dated January 18, 2023 is attached hereto as Exhibit 4 and adopted herein.

43. Defendant Perez declined to provide the requested essential information to MESH. In fact, Defendant Perez later testified that he chose “completely and utterly [to] ignore[]” it.⁷

44. During discovery in the Maryland DJ Action, specifically on the heels of Defendant Perez choosing to disregard the pertinent information request, MESH began receiving information demonstrating Defendant Perez’s elevation of self-interest and the interests of others over his duties and obligations to MESH.

45. Discovery MESH received in the Maryland DJ Action revealed that as early as in or about the Fall of 2021, Defendant Perez actively was working against MESH and aiding defendants’ course of conduct that was at issue as part of the Maryland DJ Action.

46. A starter piece of the discovery MESH received was that Defendant Perez recklessly spread disinformation about MESH, sowing seeds of doubt and distrust. Meanwhile, trust is the single greatest intangible asset of a charity such as MESH.

47. Discoveries specific to Defendant Perez that MESH learned during the Maryland DJ Action, commencing in early 2023, provide illustrative context for the breach of contract and breach of fiduciary duty claims stated below. These include, for example, the following:

- (a) On January 13, 2022, Defendant Perez communicated to one or more of the defendants in the Maryland DJ Action, “There is a serious issue going on at mesh [sic] which involves the grand lodge and I have information and that may help resolve resolve [sic] this.” Meanwhile, on June 27, 2023, Defendant Perez testified under oath that he did not recall the communication and further that he did not recall any issues at MESH in that time frame of January 2022.⁸
- (b) In and about October of 2021, Defendant Perez was providing internal MESH information acquired from service on the MESH Board [to persons not

⁷ Defendant Perez testified, in pertinent part, the information sought in connection with the Consent Order in place for MESH’s protection was his “private affairs” and none of MESH’s business. Perez dep. at 213-14.

⁸ Perez dep. at 78-79, 176.

authorized to receive same] and reinforces with, “I will be happy to tell you all about MESH.”

- (c) Starting in and about November 2021, Defendant Perez was “brief[ing]” unauthorized persons about MESH with internal MESH information acquired from his position on the MESH Board.
- (d) In March 2022, Defendant Perez was praised by unauthorized person(s) he was funneling internal MESH information to for putting a “fire” in MESH.
- (e) Upon information and belief, on November 21, 2022, Defendant Perez chose the following over his attendance at the MESH Board meeting – attend an apparent personal attack on a MESH volunteer who had assisted MESH for years, including history/archiving projects and more. Baseless accusations of misdeeds were levied on the MESH volunteer at his lodge seeking his withdrawal in lieu of his anticipated elevation to head of the lodge. Defendant Perez later falsely claimed he had not been informed of that MESH Board meeting wherein certain Board decisions were made. Defendant Perez used his story about this to further his undermining of MESH’s interests and reputation.
- (f) In and about February 2023 Defendant Perez actively was seeking to provide internal MESH salary information to unauthorized persons. To MESH, as part of demanding certain internal information and generating internal communications he may forward to defendants, Defendant Perez feigned lack of knowledge on the topic. In fact, Defendant Perez directly had been involved in such internal employment matter.
- (g) In and about 2023, Defendant Perez also was working in concert with a constituent of the Assembly of MESH, including for example Robert Starr, to aid the defendants in the Maryland DJ Action. At times, Defendant Perez provided false or misleading basis(es), not in good faith, to MESH for certain of his demands/requests. In doing so, Defendant Perez also knew that he was contributing to breaches of contract and legal duties of others to MESH.

48. Throughout all times pertinent hereto, Defendant Perez concealed from MESH pertinent information regarding his active, actual conflicted loyalties and decided action to elevate his personal interest, role with Grand Lodge—DC, and aiding defendants, over the fundamental, fiduciary, and contractual duties,] "th~~Y~~ Agreement, to MESH.

49. Throughout all times pertinent hereto, Defendant Perez affirmatively and consistently took action contrary and harmful to MESH’s mission, policies, and programs.

50. MESH necessarily commenced direct discovery from Defendant Perez, a non-party in the Maryland DJ Action.

51. On March 9, 2023, Defendant Perez was served with a Subpoena for deposition that included three X i W Y g requests. Defendant Perez obstructed at every turn.

52. The Circuit Court for Montgomery County, Maryland (“Circuit Court”) denied each and all of the motions Defendant Perez filed seeking to avoid providing essential, pertinent discovery to MESH for whom he still served as a Board member. These include the following:

- (a) By Order entered April 4, 2023, the Circuit Court denied Defendant’s Motion for Protective Order and to Quash Deposition Duces Tecum Subpoena (motion filed March 13, 2023).
- (b) By Order entered May 26, 2023, the Circuit Court denied Defendant’s Motion to Extend Time to File Motion for Reconsideration (motion filed April 13, 2023).
- (c) On January 10, 2024, the Circuit Court entered its “Order on Discovery Motions Heard December 28, 2023,” including denying Defendant’s Second Motion for Protective Order (filed August 24, 2023).⁹

53. On June 27, 2023, in the Maryland DJ Action, Defendant Perez as a non-party testified under oath.

54. Defendant Perez’s under oath revelations on June 27, 2023, include, for example, having provided certain false information, such as on the topic of providing MESH information to one or more of the defendants.

Q You have provided information about MESH to one or more of the defendants. Do you agree about that?

A I don’t recall giving information to anyone.

⁹ The Court’s Order on Discovery Motions Heard December 28, 2023 provides, in pertinent part, as follows, “George Perez’s Objection to Subpoena and Motion for Protective Order” (filed August 24, 2023) be and hereby is DENIED[.]”

Q So it's your testimony under oath that you don't recall ever providing any MESH information to any defendant at any time; is that what you're saying?

A I don't recall.

Q Have you ever voluntarily provided any MESH information of any kind or nature about MESH to any of the defendants?

A No.

Q Have you ever involuntarily provided any information about MESH to any of the defendants?

A No.

[]

Q Have you shared information about MESH board members with any of the defendants?

A Not that I recall.¹⁰

55. On June 27, 2023, Defendant Perez admitted, for example, that he had a “nondisclosure oath agreement” with Grand Lodge—DC.

56. On June 27, 2023, Defendant Perez extolled his active and continuing deletion practices in further violation of his duties to MESH. When Defendant Perez was asked about his duty to preserve, he testified, in pertinent part, “The notion to preserve does not apply to my personal property when it comes to other entities. That is not my responsibility.”¹¹ Similarly, as to why George Perez did not discontinue his deletion practices even after being aware of the filing of the Maryland DJ Action, George Perez testified, in pertinent part, as follows:

Q And did you ever discontinue your deletion practice after this case was filed?

A No.

Q And why is that?

A This is my phone, not MESH's. I deal with my property as I see fit.¹²

¹⁰ Perez dep. at 94-95 [objections omitted].

¹¹ Perez dep. at 50, ll. 7-16.

¹² Perez dep. at 42, ll. 12-17.

57. Defendant Perez admitted that he never read the Bylaws of MESH, though he admitted knowing the Bylaws is a “foundation[a]” governing document.

58. Defendant Perez also provided testimony under oath that was false, and upon information and belief intentionally was misleading, about who, how, and what he did in combining with others in furtherance of breaching his duties and contributing to harming MESH.

59. Throughout the non-party deposition of Defendant Perez there was consistent demonstration of largely seamless alignment with a number of defendants and Grand Lodge—DC.

60. Throughout the non-party deposition of Defendant Perez, as one illustrative moment in time, objectively it was apparent by context, content, and tone that Defendant Perez had been dismissive of the fundamental, fiduciary, and contractual Agreement duties, without legal justification, excuse, or regret.

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61. On September 26, 2023, MESH sent a letter to Defendant Perez regarding his service to MESH overridingly having been a disservice. A disservice, “to a degree that presently cannot fully be quantified” and subjected MESH to irreparable harm. MESH requested Defendant Perez’s resignation.¹³

62. On September 28, 2023, Defendant Perez, by counsel, replied, in pertinent part, that he would resign only if released from all known and unknown claims as of September 29, 2023 and covenant not to sue him based on his conduct while a member of the MESH Board of Directors.

63. In or about the Fall of 2023, while a member of the MESH Board of Directors and while MESH was in active ongoing litigation with certain defendants associated with Grand

¹³ A copy of the letter dated September 26, 2023 is attached hereto as Exhibit 5 and adopted herein.

Lodge—DC, Defendant Perez declared himself as a candidate for an elected Grand Lodge—DC officer position. This would commence a march up an elected officer line.

64. On or about November 18, 2023, Defendant Perez accepted an elected officer position, known as “Junior Grand Steward,” with Grand Lodge—DC.

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65. On December 22, 2023, MESH filed a civil action in the Circuit Court for Montgomery County, Maryland, in pertinent part against Defendant Perez strictly for violation of his non-disclosure agreements with MESH (“NDA action”). Pursuant to a provision of the most-recent such non-disclosure agreement between MESH and Defendant Perez, he had consented in writing to personal jurisdiction in Courts situated in Montgomery County, Maryland as to any legal action arising under his subject Confidentiality and Non-Disclosure Agreement dated January 28, 2023.¹⁴

66. The written settlement agreement of the Maryland DJ Action provides, in pertinent part, at paragraph 10(b), “the Parties agree that this Agreement does not release George E. Perez [and his co-defendants in the above-referenced NDA action] from any claims.”

67. On December 26, 2023, Grand Lodge—DC filed a [counter]claim against MESH containing specific reference to Defendant Perez at ¶¶ 38, 39, 40, 45, and 71. The claim included false and misleading assertions, such as, “MESH has ignored its Bylaws[,]” grounded in citations to Defendant Perez, who unknown to MESH had declined even to read MESH’s Bylaws.

68. Upon information and belief, Defendant Perez knew of the intended counterclaims against MESH and played a role in the genesis and pursuit.

¹⁴ Defendant aggressively opposed jurisdiction over him in Maryland for two preceding Subpoenas for his deposition and other limited discovery from him as a non-party in the Maryland DJ Action. The claims stated against Defendant Perez herein that are outside his violation of the Non-Disclosure Agreement are raised in this action. Historical facts are immutable.

69. On January 18, 2024, there was a MESH Board of Directors meeting. Defendant Perez had been notified in advance, was welcome to attend, and chose not to attend.

70. On January 23, 2024, MESH wrote to Defendant Perez, stating, in pertinent part, “There was a meeting of the Board of Directors of MESH Charities held on January 18, 2024 to which you were notified in advance and welcome to attend. You chose not to attend. As a result of a vote of the Board at this meeting you are suspended from the Board until further notice.” This followed Defendant Perez being a named defendant in the NDA action that precluded active service on the MESH Board of Directors.

71. Also on January 23, 2024, MESH transmitted a letter to Defendant Perez addressing his underlying role as a constituent of the Assembly, providing, in pertinent part, “The Board of Directors, acting in the best interests of MESH, at 2022 year-end passed a resolution providing for deactivation of the status/claimed status of any person(s) involved in litigation with MESH Charities. This applies to you as the named defendant in pending litigation with MESH Charities (filed December 22, 2023). As a result of your deactivation as a constituent of the Assembly, you are not permitted to attend any meeting of the Assembly and/or exercise any other function, right, responsibility, or privilege associated with same. The deactivation remains in effect until such time as the later of a final resolution of the action or MESH no longer is exposed to a risk of irreparable harm.”

72. Defendant Perez’s contractual duties pursuant to the Agreement, including for example, his contractual duty to “not advance or protect [his] own interest, or the private interest of others with whom [he] has a relationship, in a way that is detrimental to the interest of, or to the fundamental mission of MESH” survived deactivation of his status as a constituent of the Assembly.

73. At all times pertinent hereto, Defendant Perez failed and refused to act on an informed basis. In fact, as described in illustrative part herein, Defendant Perez chose the contrary, proceeding with an intent to undermine, harm, and damage MESH as generally described herein, and/or with reckless disregard for the best interests and rights of MESH.

74. At all times pertinent hereto, Defendant Perez failed and refused to act in good faith. In fact, as described in illustrative part herein, he chose the contrary, proceeding with an intent to undermine, harm (such as, for example, destabilization of trust, a vital intangible asset of MESH), and damage MESH as generally described herein, and/or with reckless disregard for the best interests and rights of MESH.

75. At all times pertinent hereto, Defendant Perez failed and refused to act in the best interests of MESH. In fact, as described in illustrative part herein, Defendant Perez intended to undermine, harm (such as, for example, destabilization of trust, a vital intangible asset of MESH), and damage MESH as generally described herein, and/or recklessly disregarded the best interests and rights of MESH.

COUNT I
(Breach of Contract – the Agreement)

76. Plaintiff adopts and incorporates herein by reference the allegations of ¶¶ 1 through 75 above, and, as applicable, pertinent paragraphs below, as if fully set forth herein.

77. On or about January 21, 2022 and January 28, 2023, Defendant Perez entered into, in pertinent part here, the Agreement with MESH, collectively identified as Exhibits 1(a) and 1(b) hereto.

78. Defendant Perez assented to all terms of the Agreement with MESH.

79. Defendant Perez contractually has been obligated, as set forth in Exhibits 1(a) and (b), during, and as applicable, after his relationship with MESH.

80. Defendant Perez materially breached the Agreement as generally described herein, including by conducting his activities with MESH in whole or part to advance his own interests, conducting his activities with MESH in whole or part to advance the private interests of others, conducting his activities with MESH in a manner directly contrary to MESH's best interests, and failing to disclose and in fact concealing his actual conflicts of interest.

81. As generally described herein, commencing in and about 2023, MESH learned in initial part that Defendant Perez was acting in a manner indicative of material breach of, in pertinent part, the Agreement. As discovery proceeded in the Maryland DJ Action, Defendant Perez directly and consistently took certain actions contrary to the Agreement, and in other respects failed and refused to act in compliance with the Agreement (collectively, "Conduct").

82. Defendant Perez was as bound to comply with the Agreement as any other person serving as, for example, a constituent of the Assembly or member of the MESH Board of Directors. Nothing in the Agreement or otherwise provided an exemption of any kind for Defendant Perez (or any other person put forward by Grand Lodge—DC for a term as a constituent of the MESH Assembly).

83. Defendant Perez's Conduct was adverse to MESH.

84. On June 27, 2023, Defendant Perez, under oath and without regret, substantively confirmed a number of material breaches of the Agreement.

85. Additionally, Defendant Perez failed to disclose his Conduct and active, actual conflict of interest. In fact, Defendant Perez concealed this from MESH.

86. MESH performed its obligations under the Agreement.

87. Defendant Perez's material breaches of the Agreement proximately caused substantial harm, loss, and damage to MESH, such as generally described in illustrative part hereinabove.

WHEREFORE, Plaintiff, The Masonic and Eastern Star Home of the District of Columbia Charities, Inc. respectfully requests that this Court enter (a) judgment in favor of MESH and against Defendant George E. Perez, in a principal amount of no less than Two-Hundred Fifty Thousand (\$250,000) Dollars in compensatory damages to be determined at trial, and alternatively no less than nominal damage implied from every breach of contract, as a result of Defendant Perez's material breaches of the Agreement; (b) entry of a preliminary injunction, followed by a permanent injunction, as may be applicable, prohibiting Defendant Perez from further seeking to advance or protect his own interest, or the private interest of others with whom he has a relationship, in a manner detrimental to the interest of or mission of Plaintiff; and (c) such other and further relief in favor of Plaintiff as this Honorable Court deems just and proper.

COUNT II

(Breach of Implied Covenant of Good Faith and Fair Dealing)

88. Plaintiff adopts and incorporates herein by reference the allegations of ¶¶ 1 through 87 above, and, as applicable, pertinent paragraphs below, as if fully set forth herein.

89. The Agreement, by operation of law, includes an implied covenant of good faith and fair dealing ("the Covenant of Good Faith and Fair Dealing") as though an independent term of the Agreement. Specifically, the Covenant of Good Faith and Fair Dealing is treated as a term of the Agreement. To breach the Covenant is to breach the Agreement.

90. As a result of the Covenant of Good Faith and Fair Dealing, Defendant Perez had a duty to refrain from doing anything that would have the effect of destroying or injuring the right of the other party to receive the fruits of the Agreement

91. As generally described herein, Defendant Perez failed to refrain from taking action that would have the effect of destroying or injuring the right of MESH to receive the fruits of the Covenant of Good Faith and Fair Dealing.

92. Defendant Perez actively concealed from MESH his wrongful actions. This as a practical matter had the effect of destroying or injuring MESH's right to receive the fruits of the Agreement.

93. Defendant Perez has engaged in unreasonable, arbitrary, capricious conduct substantially evading the spirit of the Agreement, such as generally described herein.

94. Defendant Perez materially breached the Covenant of Good Faith and Fair Dealing, such as generally described herein.

95. As stated, MESH performed its obligations under the Agreement, including in pertinent part always acting in good faith and fairly.

96. Defendant Perez's material breaches of the Covenant of Good Faith and Fair Dealing in the Agreement proximately caused substantial harm, loss, and damage to MESH, such as generally described in illustrative part above.

WHEREFORE, Plaintiff, The Masonic and Eastern Star Home of the District of Columbia Charities, Inc. respectfully requests that this Court enter (a) judgment in favor of MESH and against Defendant George E. Perez, in a principal amount of no less than Two-Hundred Fifty Thousand (\$250,000) Dollars in compensatory damages to be determined at trial, and alternatively no less than nominal damage implied from every breach of contract, as a result of Defendant Perez's material breaches of the Covenant of Good Faith and Fair Dealing in the Agreement; (b) entry of a preliminary injunction, followed by a permanent injunction, as may be applicable, prohibiting Defendant Perez from further seeking to advance or protect his own interest, or the

private interest of others with whom he has a relationship, in a manner detrimental to the interest of or mission of Plaintiff; and (c) such other and further relief in favor of Plaintiff as this Honorable Court deems just and proper.

COUNT III
(Breach of Fiduciary Duty of Due Care)

97. Plaintiff adopts and incorporates herein by reference the allegations of ¶¶ 1 through 75 above, and, as applicable, pertinent paragraphs below, as if fully set forth herein.

98. In addition to, and in substantial part separate from, Defendant Perez’s contractual duties pursuant to the Agreement, Defendant Perez at all pertinent times was charged with abiding by the fundamental, fiduciary duty of care to MESH.

99. Defendant Perez had actual knowledge of these fiduciary duties, including the duty of due care. Various components of this duty of due care expressly were communicated to and known by Defendant Perez, as set forth in ¶ 19 above.

100. Defendant Perez further had actual knowledge of these fiduciary duties from Board training materials provided on or about November 6, 2019 that included identification and description of the three legal duties of a non-profit board member, such as, in pertinent part in this Count III, the duty of care (“Pay attention to the organization’s activities and operations”) and Obedience (“Comply with applicable federal, state, and local laws; adhere to the organization’s bylaws; and remain the guardians of the mission.”).

101. Regardless of Defendant Perez’s actual knowledge of the fiduciary duty of care at issue in this Count III, Defendant Perez legally is responsible to comply with same.

102. As generally described herein, including but not limited to, for example, disregarding and failing to abide by at least ten of twelve enumerated material components of role

and expectations of him as a MESH Board member, Defendant Perez materially breached the fiduciary duty of due care to MESH.

103. Defendant Perez's material breaches of the fiduciary duty of care discovered to date also are grounded in having aided a number of defendants in the Maryland DJ Action to the self-evident detriment of MESH, and having obstructed MESH's good faith efforts to protect itself from harm.

104. Defendant Perez's material breaches of the fiduciary duty of due care proximately caused substantial damages, harm, and losses to MESH.

105. A natural and proximate consequence of Defendant Perez's material breaches of the fiduciary duty of due care, include special damages of certain attorneys' fees MESH incurred in connection with the Maryland DJ Action, specifically the attorneys' fees arising from defending the counterclaims filed by Grand Lodge—DC on December 26, 2023.

WHEREFORE, Plaintiff, The Masonic and Eastern Star Home of the District of Columbia Charities, Inc. respectfully requests that this Court enter judgment in favor of MESH and against Defendant George E. Perez, in a principal amount of no less than Seven-Hundred Fifty Thousand (\$750,000) Dollars to be determined at trial that includes the special damages described above consistent with the wrongful involvement in litigation exception to the American Rule; plus punitive damages in the amount of Two-Hundred Fifty Thousand (\$250,000) Dollars or other amount consistent with the circumstances, purpose, and applicable standard for the award; and for such other and further relief in favor of Plaintiff as this Honorable Court deems just and proper.

COUNT IV
(Breach of Fiduciary Duty of Loyalty and Disinterestedness)

106. Plaintiff adopts and incorporates herein by reference the allegations of ¶¶ 1 through 75 above, and, as applicable, pertinent paragraphs below, as if fully set forth herein.

107. In addition to, and in substantial part separate from, Defendant Perez’s contractual duties pursuant to the Agreement, Defendant Perez at all pertinent times was charged with abiding by the fundamental, fiduciary duty of loyalty to MESH, along with the duty of disinterestedness. This encompasses a good faith component.

108. Defendant Perez had actual knowledge of these fiduciary duties, including the duty of loyalty and disinterestedness. Various components of the duties of loyalty and disinterestedness expressly were communicated to and known by Defendant Perez, as set forth in ¶ 19 above.

109. Defendant Perez further had actual knowledge of these fiduciary duties from Board training materials provided on or about November 6, 2019 that included identification and description of the three legal duties of a non-profit board member, such as, in pertinent part in this Count IV, the duty of loyalty (“Put the interests of the organization before personal and professional interests”).

110. Regardless of Defendant Perez’s actual knowledge of the fiduciary duties of loyalty and disinterestedness at issue in this Count IV, Defendant Perez legally is responsible to comply with same.

111. As generally described herein, including but not limited to, for example, upon information and belief by aiding and facilitating Grand Lodge—DC bringing counterclaims against MESH in the Maryland DJ Action, and actively generating legal fees for MESH in the

Maryland DJ Action¹⁵, Defendant Perez materially breached the fiduciary duties of loyalty and disinterestedness to MESH.

112. Defendant Perez's material breaches of the fiduciary duties of loyalty and disinterestedness discovered to date also are grounded as generally described in ¶101 above.

113. Defendant's material breaches of the fiduciary duty loyalty and disinterestedness proximately caused substantial damages, harm, and losses to MESH.

114. A natural and proximate consequence of Defendant Perez's material breaches of the fiduciary duties of loyalty and disinterestedness include special damages of certain attorneys' fees MESH incurred in connection with the Maryland DJ Action, specifically the attorneys' fees arising from defending the counterclaims filed by Grand Lodge—DC on December 26, 2023.

WHEREFORE, Plaintiff, The Masonic and Eastern Star Home of the District of Columbia Charities, Inc. respectfully requests that this Court enter judgment in favor of MESH and against Defendant George E. Perez, in a principal amount of no less than Seven-Hundred Fifty Thousand (\$750,000) Dollars to be determined at trial that includes the special damages described above consistent with the wrongful involvement in litigation exception to the American Rule; plus punitive damages in the amount of Two-hundred Fifty Thousand (\$250,000) Dollars or other amount consistent with the circumstances, purpose, and applicable standard for the award; and for such other and further relief in favor of Plaintiff as this Honorable Court deems just and proper.

¹⁵ Specifically including in connection with months of Defendant Perez obstructing third-party discovery necessarily sought from him.

Respectfully submitted,

STEIN SPERLING BENNETT
DE JONG DRISCOLL PC

By: _____ # g # . 5 ` Y1 | U . ? Y b h . A W7 ` i

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Attorneys for MESH

DEMAND FOR JURY TRIAL

MESH demands a trial by jury on all issues so triable in the above-captioned action.

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Alexia Kent McClure, D.C. Bar # 443983