

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF SOUTH CAROLINA  
ROCK HILL DIVISION**

KATHRYN B. GODLEY and	)	Civil Action No.: 0:24-cv-07705-MGL
ROCK HILL CITY PLAZA, LLC, a North	)	
Carolina limited liability company,	)	
	)	
Plaintiffs,	)	<b>AMENDED COMPLAINT</b>
	)	(Breach of Contract)
v.	)	(Negligent Misrepresentation)
	)	(Fraud/Constructive Fraud)
THE WELFONT GROUP, LLC, JOSEPH	)	(Negligence)
JOHNSON, SEAN MARCEL, TAX	)	(Veil Piercing)
APPRAISAL GROUP, LLC, LYNDA	)	(Unfair Trade Practices)
SCULL, BRYANT ASSET ADVISORS,	)	(Civil Conspiracy)
LLC, ANDREW J. BRYANT,	)	(Unjust Enrichment)
CHRISTOPHER D. BRYANT, and	)	
ACTS COMMUNITY DEVELOPMENT	)	Jury Trial Demanded
CORPORATION,	)	
	)	
Defendants.	)	
	)	

Plaintiffs, Kathryn B. Godley and Rock Hill City Plaza, LLC, hereby amend their Complaint and complain of the Defendants The Welfont Group, Joseph Johnson, Sean Marcel, LLC, Tax Appraisal Group, LLC, Lynda Scull, Bryant Asset Advisors, LLC, Andrew J. Bryant, Christopher D. Bryant, and Acts Community Development Corporation and respectfully show unto this Honorable Court as follows:

**PARTIES AND JURISDICTION**

1. Plaintiff Kathryn B. Godley (“Godley”) is a citizen and resident of Mecklenburg County, North Carolina.
2. Rock Hill City Plaza, LLC (“Rock Hill NC”) is a limited liability company organized under North Carolina law, the 99% owner of which is Godley. Rock Hill NC was the

owner of a multi-tenant office building which is in Rock Hill, South Carolina (“the Property”).

3. Defendant The Welfont Group, LLC (“Welfont”) is, upon information and belief, a limited liability company organized under Delaware law with a principal place of business in Tampa, Hillsborough County, Florida. At all times relative to this complaint, Welfont transacted business in the County of York, State of South Carolina.

4. Defendant Joseph Johnson is, upon information and belief, a citizen of and resides in Florida. At the time on which this Complaint focuses, he was a senior officer of Welfont, was an agent of Welfont, and was the primary architect of the fraudulent transaction perpetrated against Plaintiffs Godley and Rock Hill NC complained of herein.

5. Defendant Sean Marcel is, upon information and belief, a citizen and resident of the State of Florida. At all times relevant to this Complaint, Marcel was a senior officer of The Welfont Group, LLC and jointly managed its appraisal and transaction practices. Marcel personally directed or facilitated the selection and use of appraisers, knowing the appraisals were not compliant with IRS standards.

6. Defendant Tax Appraisal Group, LLC (“TAG”) is, upon information and belief, a limited liability company organized under Florida law with a principal place of business in Florida at 701 S. Howard Avenue, Suite 106-260, Tampa, Florida 33606 and with member(s) who reside(s) in a state other than the State of South Carolina. TAG transacted business in the County of York, State of South Carolina.

7. Defendant Lynda Scull (“Lynda Scull”) is, upon information and belief, a citizen and resident of Queen Annes County, Maryland and resides at 1603 Love Point Road, Stevensville, Maryland 21666-2047. Upon information and belief, Lynda Scull is the sole member of TAG. Lynda Scull transacted business in the County of York, State of South Carolina.

5. Defendant Bryant Asset Advisors, LLC (“BAA”) is, upon information and belief,

a limited liability company organized under Indiana law with a principal place of business in the State of Indiana at 11715 Fox Road, Suite 400-127, Indianapolis, Indiana 46236. BAA transacts business in the County of York, State of South Carolina. Upon information and belief, Andrew J. Bryant (“Andrew Bryant”) is the sole member of BAA. Upon information and belief, Christopher D. Bryant (“Christopher Bryant”) was also a certified appraiser at BAA.

6. Defendant Andrew Bryant is, upon information and belief, an adult resident of Noblesville, Indiana, who, for purposes of service of process, can be served at his place of business and employment, Bryant Asset Advisors, LLC, 11715 Fox Road, Suite 400-127, Indianapolis, Indiana 46236. Andrew Bryant transacted business in the County of York, State of South Carolina.

7. Christopher Bryant is, upon information and belief, an adult resident of Solana Beach, California, San Diego County who resides at 2505 Briarcliff Drive, Stockton, California 95206-6371. Christopher Bryant transacted business in the County of York, State of South Carolina.

8. Defendant Acts Community Development Corporation (“Charity Buyer”) is a New York corporation located at 1913 West 7th Street, Brooklyn, New York 11223-2641. Together with its charitable works, it appears to participate in multiple real estate transactions that are not traditionally associated with charitable works.

9. Defendant Rock Hill City Plaza, LLC (“Rock Hill Texas”) is a Texas limited liability company. Upon information and belief, this company was formed in Texas in 2017 with the same name of the owner of the Property sold by Defendants to the Charity Buyer for the specific purpose of acquiring the Property from the Charity Buyer.

10. This Court has subject matter jurisdiction under 28 U.S.C. §1332 because there is complete diversity among the parties and the amount in controversy exceeds \$75,000, exclusive

of interest and costs.

11. This Court has personal jurisdiction over each Defendant named herein because each Defendant, either on their own or through their agents, at the time of the commission of the acts alleged here, transacted business in the State of South Carolina, including specific acts within this judicial district, including, but not limited to, a transaction involving the sale of real property within this district to render the exercise of jurisdiction by this Court permissible under traditional notions of fair play and substantial justice.

12. Venue is proper in this Court pursuant to 28 U.S.C. §1391(b) because a substantial part of the events giving rise to the litigation occurred in this judicial district; the contract(s) at issue was formed in, and the subject real estate is in, this judicial district; and Plaintiff suffered harm caused by Defendants in this judicial district.

#### **BUSINESS OF THE WELFONT GROUP, LLC.**

13. At all times relevant to this Complaint, Welfont and specifically Bill Zapf, portrayed themselves as a specialists in providing real estate buyers and sellers with a wide range of services, including broker representation, advisory, underwriting, due diligence, financial services, asset management, and dispositions. Welfont managed each investment itself, from deal sourcing to underwriting, to acquisition, and disposition.

14. It provided advice on “bargain sales” of real property to charitable organizations for less than fair market value in exchange for the sellers receiving a tax deduction for the difference between the fair market of the property and the cash received from the charitable organization. In this case, most or all of the work done by Welfont was through Bill Zapf.

15. In order to meet the expectations of both the buyer and the seller in a bargain sale, there must be an appraisal of the subject property that is credible to the Internal Revenue Service

(“IRS”) and that meets the Internal Revenue Code (“IRC”) and U.S. Treasury regulatory requirements (a “Qualified Appraisal”).

16. At all times relevant to this complaint, Welfont used a select network of appraisers to provide Qualified Appraisals for these transactions, including Defendant, TAG, Defendant Lynda Scull, Defendant BAA, and Defendants Andrew Bryant, and Defendant Christopher Bryant. Defendants Johnson and Marcel were senior corporate officers of Welfont who exercised substantial control over its operations and policies concerning the promotion of so-called “bargain sales.”

17. Welfont, through Johnson, Marcel, and/or certain high-level agents and/or employees of Welfont, devised and implemented a scheme to induce owners of commercial property to sell their property to charitable organizations at below-market prices based on materially exaggerated appraisals. The goal of the scheme was to allow sellers to claim inflated charitable contribution deductions on their federal tax returns while Welfont and its affiliates earned commissions and other compensation.

18. The scheme directly caused Plaintiffs to rely on the fraudulent appraisal and other misrepresentations in entering the transaction. As a result, Plaintiffs suffered disallowed deductions, IRS penalties and interest, and substantial accounting and legal expenses, as described herein.

19. BAA is a real estate appraisal organization that holds itself out by solicitation, advertisement, or otherwise in South Carolina and elsewhere as providing Qualified Appraisals for “bargain sales” of real property to charitable organizations for less than fair market value in exchange for the sellers receiving tax deduction for the difference between the fair market of the property and the cash received from the charitable organization.

20. Defendant Andrew Bryant is the manager of BAA, and Defendant Christopher

Bryant is an appraiser employed by BAA. Both Andrew Bryant and Christopher Bryant authored the Qualified Appraisal.

### OVERTURE TO THE DEAL

21. After seeing Rock Hill NC's listing of Property, in the spring of 2017, Welfont, solicited Plaintiff Kathy Godley and proposed a transaction wherein Welfont would obtain a Qualified Appraisal of the Property in order for Rock Hill NC to sell the Property to a qualified charitable organization that Welfont represented. The sale would result in the members of Rock Hill NC receiving certain tax deductions based on the difference between the Qualified Appraisal amount and the sales price to the charitable organization. This transaction appeared beneficial to Rock Hill NC and its members, so Rock Hill NC agreed to proceed with the Qualified Appraisal and bargain sale based on representations made by Welfont through its members, agents, representatives and/or employees.

22. Welfont also advised that it represented a qualified charitable organization, Charity Buyer, for purposes of the bargain sale, and thereby brought Charity Buyer into the deal as the proposed IRC §501(c)(3) organization to purchase the Property in the contemplated bargain sale for less than the fair market value as determined by the Qualified Appraisal, thus, completing the bargain sale.

23. Welfont further explained and represented, and the parties herein all understood, that the actual beneficiaries of the tax benefits resulting from the bargain sale would be Rock Hill NC's members, specifically Kathy Godley.

24. Unbeknownst to Rock Hill NC (but known to Welfont, *Johnson, Marcel*, and the Charity Buyer), the Charity Buyer, as seller, and with Welfont as its broker, was negotiating a subsequent sale of the Property to Rock Hill Texas at a price substantially less than fair market

value but substantially more than the cash received by Rock Hill NC from Charity Buyer in connection with the bargain sale.

### **REAL ESTATE PURCHASE AGREEMENT**

25. Welfont prepared and presented to Rock Hill NC a Real Estate Purchase Agreement with the Charity Buyer under which Welfont agreed to obtain a Qualified Appraisal of the Property of approximately \$9,975,000. In exchange, Rock Hill NC would sell the Property to the Charity Buyer for \$2,000,000 and pay Welfont a sales commission (the “Purchase Agreement”).

### **THE APPRAISAL REPORT**

26. On or about July 12, 2017, Kathy Godley signed an Engagement Letter with Defendants TAG and Lynda Scull, who Welfont represented would obtain the Qualified Appraisal of the Property required to complete the contemplated bargain sale.

27. Rock Hill NC agreed to, and did, pay TAG consideration of \$1,000 (the “TAG Contract”). Among other obligations, the TAG Contract required TAG to “[m]anage order progress and workflow” of TAG’s selected appraiser and to “[c]onduct pre and post-delivery quality control” throughout the appraisal process.

28. Also, on or about July 11, 2017, TAG recommended to Rock Hill NC Defendants BAA and its principal, Andrew Bryant, who represented they would provide the Qualified Appraisal of the Property required to complete the contemplated bargain sale.

29. BAA agreed to provide a Qualified Appraisal Bargain Sale Opinion of Value based on IRS Publication 561 of the Property and, in exchange, Rock Hill NC agreed to, and did, pay BAA consideration of \$7,500 (the “BAA Contract”).

30. Defendants BAA and Andrew Bryant provided Rock Hill NC an appraisal in the

amount of \$9,090,000 of the Property dated July 20, 2017 and signed August 3, 2017 (the “BAA Appraisal”).

31. Unbeknownst to Rock Hill NC, however, the IRS determined that the BAA Appraisal was not prepared in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice; Financial Institutions, Reform, Recovery and Enforcement Act of 1989; IRS Publication 561; Treasury Regulation Section 1.170A-17, and the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. In fact, a subsequent IRS analysis of the BAA Appraisal noted that the appraisers were biased and had produced an appraisal to fit the needs of Welfont.

32. Welfont through *its officers, directors, and agents* at all pertinent times hereto, orchestrated and managed the appraisal process.

### **THE TRANSACTIONS**

33. In reliance on the BAA Appraisal and other representations of Defendants set forth here, on August 4, 2017, Rock Hill NC sold the Property to Charity Buyer for \$1,500,000 and thereafter took a deduction based on the bargain sale appraisal on its 2017, 2018, 2019, and 2020 tax returns.

34. Contemporaneously on August 4, 2017, Rock Hill Texas, an entity which, upon information and belief, is affiliated with and/or the alter ego of Welfont, purchased the Property from the Charity Buyer for \$1,750,000, thereby effectively undermining the fair market value of \$9,090,000 set forth in the BAA Appraisal and the related representations of all Defendants.

### **THE IRS AUDIT**

35. Rock Hill NC reported the bargain sale on Form 8283 and reported the appraised value of the Property as being \$9,090,000.00 as set forth by the BAA Appraisal, based on

Welfont's representations, and the representations of the other named Defendants.

36. On Rock Hill NC's 2017 Federal Tax Return, Form 106, Schedule D, Line 13A Contributions, Rock Hill deducted \$7,297,071. For taxable year 2017, \$2,014,355 was allocated. The balance was carried forward on subsequent returns. On its 2018 Federal Tax return, Rock Hill NC carried forward a deduction of \$685,712, on its 2019 return, \$585,980, and on its 2020 return, \$3,832,852 as a charitable deduction predicated on, and in reliance of, the BAA Appraisal and the purported "bargain sale" transaction marketed and effectuated by Defendants. Since Godley was a 99% owner of Rock Hill NC, virtually all of the deductions were allocated to her on her Form K-1, which was deductible on her Form 1040.

37. The IRS, under the supervision of Jo Anna Carrie, SEP Group Manager 1425, subsequently audited Rock Hill NC's and Kathy Godley's 2017, 2018, 2019, and 2020 tax returns. Then, on or about April 24, 2024, the IRS decided, in part based on the contemporaneous purchase and sale of the Property to Rock Hill Texas, that the BAA Appraisal was not a Qualified Appraisal (the "IRS Initial Determination"), despite prior representations from Defendants to the contrary. The IRS's Initial Determination was the first time Rock Hill NC learned or discovered that the BAA Appraisal was, according to the IRS, not a Qualified Appraisal and the first time it learned that its deductions related to the Transaction would be disallowed.

38. The IRS determined that the fair market value of the Property was \$1,830,000.00. After making adjustments on its 2017, 2018, 2019, and 2020 tax returns and applying valuation misstatement penalties, if the IRS Initial Determination is upheld based on the IRS Senior Appraiser's valuation of fair market value of \$1,830,000, Rock Hill NC will suffer actual damages in the amount of at least \$3,690,494.13 in tax deficiencies, interest, and continuing penalties that Rock Hill NC and Godley will be required to pay to the IRS. Additionally, as a direct and proximate result of the wrongdoing of Defendants, Plaintiffs have had to hire tax attorneys and accountants to represent them in contesting the IRS determination, and those expenses are damages to Plaintiffs for which Defendants are responsible because they were

proximately caused by Defendants' misconduct.

**FIRST CAUSE OF ACTION**  
**(Breach of Contract)**

39. Plaintiffs hereby repeat and reallege each and every allegation contained in the paragraphs above as if fully restated herein.

40. Plaintiffs and Welfont were parties to an agreement, which was a legally enforceable and binding contract under which Welfont agreed to obtain a Qualified Appraisal of the Property of approximately \$9,975,000.

41. Although Rock Hill NC fully performed its obligations thereunder, Welfont breached obligations under the agreement by failing to obtain a Qualified Appraisal of the Property.

42. Rock Hill NC and TAG were parties to the TAG Contract, which was a legally enforceable and binding contract, under which TAG agreed to obtain a Qualified Appraisal of the Property of approximately \$9,975,000.

43. Although Rock Hill, NC fully performed its obligations thereunder, TAG and Lynda Scull breached obligations under the TAG Contract by failing to obtain a Qualified Appraisal of the Property.

44. Rock Hill NC and BAA were parties to the BAA Contract, which was a legally enforceable and binding contract, under which BAA agreed to provide a Qualified Appraisal of the Property.

45. Although Rock Hill NC fully performed its obligations thereunder, BAA, Andrew Bryant, and Christopher Bryant breached its obligations under the BAA Contract by failing to provide a Qualified Appraisal of the Property.

46. Welfont's breaches of the Welfont Contract, TAG's breaches of the TAG Contract,

and BAA's breaches of the BAA Contract, have caused Plaintiffs' actual damages, including, but not limited to, actual damages in an amount no less than \$3,690,494.13, prejudgment interest at 8.75% on the foregoing amount, plus costs and reasonable attorneys' fees, which Plaintiffs are entitled to recover from Defendants.

**SECOND CAUSE OF ACTION**  
**(Negligent Misrepresentation)**

47. Plaintiffs hereby repeat and reallege each and every allegation contained in the paragraphs above as if fully restated herein.

48. During its service as broker for Rock Hill NC, Welfont represented to Plaintiffs that (a) the Property had an estimated fair market value of around \$9,975,000; (b) they would obtain a Qualified Appraisal of the Property showing a fair market value of around \$9,975,000 that would allow Rock Hill NC to sell to Charity Buyer and obtain a tax deduction of the difference between \$9,975,000, and the amount paid by the Charity Buyer; and (c) TAG through Lynda Scull would obtain a Qualified Appraisal of the Property showing a fair market value of around \$9,975,000 that would allow Rock Hill NC to sell to the Charity Buyer and obtain a tax deduction of the difference between \$9,975,000 and the cash paid by the Charity Buyer. The actual BAA Appraisal dated August 3, 2017, contained a valuation of the Property of \$9,090,000. Either appraisal amount was vastly in excess of the actual value of the Property as assessed by the IRS at \$1,830,000 and the \$1.75 million sale to Rock Hill Texas.

49. During its service as a tax appraisal locator for Rock Hill NC, TAG and Lynda Scull represented to Rock Hill NC that it would obtain a Qualified Appraisal of the Property showing a fair market value of around \$9,975,000 that would allow Rock Hill NC to obtain a tax deduction of the difference between \$1,500,000 and the cash paid by the Charity Buyer.

50. During its service as an appraiser for Rock Hill NC, BAA, Andrew Bryant, and

Christopher Bryant represented to Rock Hill NC that they had provided a Qualified Appraisal of the Property showing a fair market value of around \$9,090,000 that would allow Rock Hill NC to obtain a tax deduction of the difference between the Qualified Appraisal value and the cash paid by the Charity Buyer.

51. Welfont, Johnson, Marcel, TAG, Lynda Scull, BAA, Andrew Bryant, and Christopher Bryant each had a strong, pecuniary interest in making the foregoing representations (collectively, the “Representations”) to Rock Hill NC so that Rock Hill NC would pay them, purchase the BAA Appraisal, and sell the Property to Charity Buyer.

52. The Representations made by Welfont, TAG, Lynda Scull, BAA, Andrew Bryant, and Christopher Bryant were materially false.

53. Welfont, TAG, Lynda Scull, BAA, Andrew Bryant, and Christopher Bryant were negligent, grossly negligent, reckless, willful, and/or wanton in making the Representations to Rock Hill NC.

54. Plaintiffs reasonably relied on the Representations made by Welfont, TAG, Lynda Scull, BAA, Andrew Bryant, and Christopher Bryant Representations to the detriment of Rock Hill NC.

55. Charity Buyer knew that it would buy the Property and sell it at a \$250,000 profit within hours of its transaction with Rock Hill NC. Upon information and belief, it had been involved in other charity gift transactions with other defendants. It had a duty to disclose the nature of the transaction, but failed to do so and thereby proximately caused the damages to Plaintiffs described herein.

56. Upon information and belief, Charity Buyer did not report the profit from the sale of the Rock Hill NC property to the IRS.

57. Welfont, Johnson, Marcel, TAG, Lynda Scull, BAA, Andrew Bryant, Christopher Bryant, and Charity Buyer had a pecuniary interest in making the statements set forth above and herein.

58. Welfont, Johnson, Marcel, TAG, Lynda Scull, BAA, Andrew Bryant, Christopher Bryant, and Charity Buyer owed a duty of care to Rock Hill NC to see that truthful information was communicated to Rock Hill NC.

59. Welfont, Johnson, Marcel, TAG, Lynda Scull, BAA, Andrew Bryant, Christopher Bryant, and Charity Buyer breached this duty by failing to exercise due care.

60. Rock Hill NC relied on the representations.

61. As a direct and proximate result of its reasonable reliance on the foregoing Representations by Welfont at the direction of Johnson and Marcel, TAG, Lynda Scull, BAA, Andrew Bryant, Christopher Bryant, and Charity Buyer, Plaintiffs have suffered considerable pecuniary loss in an amount to be determined at trial, but well in excess of \$75,000, plus prejudgment interest at 8.75%, costs, expenses and reasonable attorneys' fees which Rock Hill NC is entitled to recover from Defendants.

62. Defendants are liable to Plaintiffs for all of Plaintiffs' damages flowing from the injury caused by their negligent misrepresentations.

63. Defendants acted with reckless disregard for the truth of the Representations entitling Plaintiffs to punitive damages against each in an amount to be determined by the jury.

**THIRD CAUSE OF ACTION**  
**(Fraud/Constructive Fraud)**

64. Plaintiffs hereby repeat and reallege each and every allegation contained in the paragraphs above as if fully restated herein.

65. Welfont through Johnson and Marcel held themselves out as an expert in real estate

transactions and bargain sales and made the aforesaid Representations which they knew to be false.

66. Upon information and belief, at the time it made the Representations and at the time Rock Hill NC sold the Property to the Charity Buyer and paid Welfont its commission, Welfont intended to sell the Property to a third party for less than the BAA Appraisal (the “Welfont Plan”), even though Welfont knew that the Welfont Plan would render the BAA Appraisal a non-Qualified Appraisal.

67. Welfont, Johnson, Marcel, and Charity Buyer had a duty to disclose the Welfont Plan to Rock Hill NC.

68. Welfont, Johnson, Marcel and Charity Buyer failed to disclose the Welfont Plan to Rock Hill NC.

69. Welfont, Bill Zapf, and Charity Buyer acted to intentionally conceal their misrepresentations and the Welfont Plan from Rock Hill NC.

70. The Representations made by Welfont, through Johnson and Marcel, and the Charity Buyer and the Welfont Plan itself were all material to Rock Hill NC; Welfont and Bill Zapf knew or should have known of the falsity of these Representations. Rock Hill NC relied on those Representations, Rock Hill NC’s reliance was reasonable, and it had the right to rely on those representations.

71. The Representations were material to the transaction.

72. The Representations were made with the intent that they would be relied upon and acted upon.

73. Rock Hill NC and Godley were not aware of the falsity of the Representations and relied on the truth of these Representations in completing its decisions concerning the sale of the Property.

74. Rock Hill NC and Godley had a right to rely on the Representations.

75. As a direct and proximate result of Rock Hill NC's and Godley's reliance on Welfont's, and Charity Buyer's misrepresentations and non-disclosure of the Welfont Plan, Rock Hill NC and Godley have suffered actual damages in an amount to be determined, but well in excess of \$75,000, plus prejudgment interest at 8.75%, costs, expenses and reasonable attorneys' fees which Rock Hill NC is entitled to recover from Welfont, Johnson, and Marcel.

76. Charity Buyer was, upon information and belief, aware that the transaction had a second component—the sale the same day of the property within hours of its purchase. It was aware of Welfont's breach of duty and thereby aided and abetted the same.

77. Welfont's conduct was sufficiently willful, wanton, reckless, grossly negligent, and outrageous to entitle Rock Hill NC and Godley to punitive damages in an amount to be determined by a jury, for which Welfont, Johnson, Marcel, and Charity Buyer are liable.

**FOURTH CAUSE OF ACTION**  
**(Negligence)**

78. Plaintiffs hereby repeat and reallege each and every allegation contained in the paragraphs above as if fully restated herein.

79. Welfont had a duty to Rock Hill NC and Godley to use reasonable care to insure that the BAA appraisal was a Qualified Appraisal and not to undermine it. They breached their duty to Rock Hill NC and Godley and were negligent, grossly negligent, reckless, willful, and/or wanton, including, but not limited to, by failing to ensure that the BAA Appraisal was a Qualified Appraisal; and buying and then selling the Property at prices far below the BAA Appraisal within a short period of time following Rock Hill NC's sale of the Property to the Charity Buyer.

80. TAG and Lynda Scull had a duty to Rock Hill NC and Godley to use reasonable care to ensure that the BAA Appraisal was a Qualified Appraisal, but breached their duties to Rock Hill

NC and Godley and were negligent, grossly negligent, reckless, willful, and/or wanton, including, but not limited to, by failing to ensure that the BAA Appraisal was a Qualified Appraisal.

81. BAA, Andrew Bryant, and Christopher Bryant had a duty to Rock Hill NC and Godley to use reasonable care to ensure that the BAA Appraisal was a Qualified Appraisal, but breached their duties to Rock Hill NC and Godley and were negligent, grossly negligent, reckless, willful, and/or wanton in failing to ensure that the BAA Appraisal was a Qualified Appraisal, including, but not limited to, by:

- (a) Failing to address BAA's market area knowledge of the Property in the BAA Appraisal;
- (b) Using an exposure time of 36 to 48 months instead of "as is" conditions in the BAA Appraisal;
- (c) Failing to define "fair market value" to encompass the notion of a willing buyer and willing seller in the BAA Appraisal;
- (d) Stating that the BAA Appraisal was higher than a "561 appraisal," even though the IRS has no "561 appraisal";
- (e) Misapplying IRS Publication 561 in the BAA Appraisal;
- (f) Failing to have both appraisers who contributed to the BAA Appraisal sign it as required by U.S. Treasury regulations; and
- (g) Failing to act as a reasonable person would have under the circumstances.

82. Welfont's, TAG's, and BAA and all Defendants' negligence, gross negligence, willfulness, and/or wantonness as aforesaid was the proximate cause of the damages suffered by Rock Hill NC and Godley.

83. Charity Buyer was aware that it would buy the Property and sell it at a \$250,000 profit within hours of its transaction with Rock Hill NC. Upon information and belief, it had been involved in other charity gift transactions with other defendants. It had a duty to disclose the nature of the transaction, but failed to do so and thereby proximately caused the damages to plaintiffs described

here.

84. Upon information and belief, Charity Buyer did not report the profit from the sale of the Rock Hill NC property to the IRS.

85. Welfont's, TAG's, and BAA and all Defendants' negligence, gross negligence, willfulness, and/or wantonness as aforesaid was the proximate cause of the damages suffered by Rock Hill NC and Godley.

86. Welfont's, TAG's, and BAA's and all Defendants' negligence, gross negligence, willfulness, and/or wantonness as aforesaid have caused Rock Hill NC and Godley actual damages in an amount to be determined, but in excess of \$75,000, plus prejudgment interest at 8.75%, costs, expenses and reasonable attorneys' fees which Rock Hill NC and Godley are entitled to recover from Welfont, TAG, and BAA and all Defendants along with punitive damages from Welfont, TAG, BAA, and all other Defendants.

**FIFTH CAUSE OF ACTION  
(Violation of South Carolina Unfair Trade Practices Act)**

87. Plaintiffs hereby repeat and reallege each and every allegation contained in the paragraphs above as if fully restated herein.

88. Defendants misrepresented material facts about Defendants' ability to obtain a Qualified Appraisal on behalf of Rock Hill NC and as required under the bargain sale to Charity Buyer, with the intent to mislead Rock Hill NC and Godley and coerce Rock Hill NC and Godley into the Welfont Plan for profit.

89. Defendants' conduct, including the fraudulent acts set forth above, and misrepresentations described herein constitute unfair or deceptive acts and practices declared unlawful by the South Carolina Unfair Trade Practices Act ("SCUTPA").

90. Defendants knowingly made false and misleading representations of fact

for the purpose of deceiving Rock Hill NC and Godley about Defendants' services and abilities to achieve the Welfont Plan and to obtain compensation from Rock Hill NC, in violation of the SCUTPA.

91. Defendants Johnson and Marcel knowingly structured transactions that used inflated appraisals to mislead sellers—including Plaintiffs—into entering transactions under false pretenses.

92. As a result of the unfair and deceptive acts in which Defendants engaged, Rock Hill NC and Godley have suffered damages in an amount to be determined at trial but no less than the amount of \$75,000.

93. The acts of Defendants were made in and affecting trade and commerce and were acts that affect the public interest.

94. These acts were acts that can be repeated and are inimical to sellers who expect their real estate transactions to be conducted honestly and in good faith.

95. Defendants knew or should have known that their use or employment of such unfair or deceptive acts, methods, or practices violated or would be a violation of SCUTPA and, as such, was a willful violation of SCUTPA.

96. Defendants are liable for treble damages and attorneys' fees under SCUTPA.

**SIXTH CAUSE OF ACTION**  
**(Veil Piercing)**

97. Plaintiffs hereby repeat and reallege each and every allegation contained in the paragraphs above as if fully restated herein.

98. Rock Hill NC alleges upon information and belief that *Defendants Joseph Johnson, Sean Marcel*, Andrew Bryant, Christopher Bryant, and Lynda Scull should be

held liable for any conduct attributable to Defendants Welfont, BAA and TAG because they operated as the alter ego of Welfont, BAA and TAG, respectively.

99. Rock Hill NC alleges upon information and belief that Defendants Joseph Johnson, Sean Marcel Andrew Bryant, Christopher Bryant, and Lynda Scull, at the time the Representations were made, exercised complete dominion and control over Defendants Welfont, BAA and TAG, not only of finances, but of policies and business practices with respect to the Representations, such that Defendants Welfont, BAA and TAG had no separate mind, will or existence of their own with respect to the Representations.

100. Defendants Joseph Johnson, Sean Marcel, Andrew Bryant, Christopher Bryant, and Lynda Scull used their dominion and control over Defendants Welfont, BAA and TAG as conduits for performing their businesses and for perpetuating their fraudulent acts as described here.

101. Upon information and belief, Defendants, Welfont, BAA and TAG were grossly undercapitalized such that they could not pay their respective debts and liabilities.

102. Upon information and belief, Defendants Welfont, BAA, and TAG diverted all their earnings and other tangible assets to Defendants Joseph Johnson, Sean Marcel, Andrew Bryant, Christopher Bryant, and Lynda Scull individually.

103. Based on the allegations as described here, Defendants Joseph Johnson, Sean Marcel, Andrew Bryant, Christopher Bryant, and Lynda Scull have used the appearance of corporate formalities and corporate separateness to commit fraud and deceit upon Rock Hill NC in contravention of public policy.

104. Rock Hill NC and Godley have sustained significant injuries and loss as a direct and proximate cause of Defendants Welfont, Joseph Johnson, Sean Marcel, BAA,

Andrew Bryant, TAG and Lynda Scull being used as instrumentalities to default and otherwise wrong Rock Hill NC.

105. Thus, the corporate veil of Welfont, BAA and TAG should be disregarded and Rock Hill NC should be allowed to collect its judgment from Defendants Joseph Johnson, Sean Marcel, Andrew Bryant, Christopher Bryant, and Lynda Scull, individually, as well as from any of their entities.

**SEVENTH CAUSE OF ACTION**  
**(Civil Conspiracy)**

106. Plaintiffs hereby repeat and reallege each and every allegation contained in the paragraphs above as if fully restated herein.

107. Each Defendant, individually, and in a concerted action, have committed many predicate torts against Rock Hill NC and Godley, including at least the following: Breach of Contract; Negligent Misrepresentation; Fraud; Constructive Fraud; Negligence; and/or SCUTPA violations.

108. There was a common design among Defendants, with each having the intent and knowledge of the other's intent, to accomplish by concerted action an unlawful purpose or lawful purpose by unlawful means. The unlawful purpose was to mislead Rock Hill NC and Godley to induce Rock Hill NC and Godley into the Welfont Plan and to profit from the Welfont Plan with full knowledge of Defendants' inability to obtain a Qualified Appraisal as required by the contemplated bargain sale in order to achieve the applicable deduction that Defendants represented to Rock Hill NC it could obtain.

109. Each of these Defendants made an overt act in furtherance of the conspiracy, i.e., the Welfont Plan, to induce Rock Hill NC and Godley into Defendants' scheme for profit.

110. Defendants' overt acts were done for their own personal gain and to cause harm to Rock Hill NC.

111. As a result of Defendants' actions, Rock Hill NC and Godley have sustained significant monetary damages to be proven at trial but in an amount no less than \$75,000 plus costs and attorney's fees.

**EIGHTH CAUSE OF ACTION AGAINST CHARITY BUYER**  
**(Unjust Enrichment against Charity Buyer)**

112. Plaintiffs hereby repeat and reallege each and every allegation contained in the paragraphs above as if fully restated herein.

113. Charity Buyer received a benefit as a result of the transactions described herein above, notwithstanding its failure to divulge its knowledge that the property would be sold at a large profit within hours of the transaction complained of.

114. Retention of the profits from the sale would be inequitable, as said profits would otherwise have been obtained by Rock Hill NC, and the Charity Buyer should be required to disgorge its profits.

**WHEREFORE**, Rock Hill NC and Godley prays for a jury trial and that this Court enter judgment in favor of Rock Hill NC and jointly and severally against The Welfont Group, LLC, Joseph Johnson, Sean Marcel, Tax Appraisal Group, LLC, Lynda Scull, Bryant Asset Advisors, LLC, Andrew J. Bryant, Christopher D. Bryant, and Acts Community Development Corporation, for all losses and damages sustained, as set forth more fully above, and awarding Rock Hill NC and Godley:

- (a) Actual damages, in an amount to be determined, but in excess of \$75,000;
- (b) Prejudgment interest on the compensatory damages at the then-available maximum

legal rate;

(c) Post-judgment interest on the compensatory damages at the then-available maximum legal rate;

(d) Punitive damages;

(e) Treble damages;

(f) Additional tax liability, interest and penalties assessed to Rock Hill NC and Godley and/or its partners;

(g) Rock Hill NC's and Godley's reasonable attorneys' fees, expenses and costs;

(h) Rock Hill NC's and Godley's professional accounting, legal, appraisal and other fees incurred by Rock Hill NC in connection with the IRS examination; and

(i) Such other legal or equitable relief as Rock Hill and Godley shall show itself justly entitled and/or that this Court deems just and proper.

s/ Lawrence M. Hershon

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