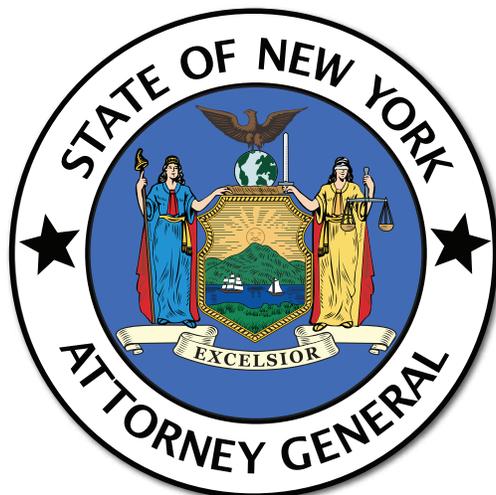


Religious Corporations: Sales and other Disposition of Assets



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**A GUIDE TO SALES AND OTHER DISPOSITION OF ASSETS BY
RELIGIOUS CORPORATIONS PURSUANT TO
RELIGIOUS CORPORATIONS LAW § 12 and
NOT-FOR-PROFIT CORPORATION LAW §§ 510, 511 and 511-a**

Office of the Attorney General

**Charities Bureau
www.charitiesnys.com**

**Guidance Document
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**A GUIDE TO SALES AND OTHER DISPOSITIONS OF ASSETS BY
RELIGIOUS CORPORATIONS PURSUANT TO
RELIGIOUS CORPORATIONS LAW § 12
AND NOT-FOR-PROFIT CORPORATION LAW §§ 510, 511 and 511-a**

INTRODUCTION

The New York State Attorney General’s Charities Bureau has prepared this guidance to assist religious corporations and the lawyers who represent them when seeking approval of the Attorney General and/or the Court for sales, mortgages and leases of their real property pursuant to Religious Corporations Law (“RCL”) § 12 and Not-for-Profit Corporation Law (“N-PCL”) §§ 510, 511 and 511-a.

NOTE: The following denominations are EXEMPT from submitting their petitions to the Attorney General for review of their transactions. HOWEVER, they are required to seek Supreme Court approval.
(RCL §2-b(d-1)):

- Protestant Episcopal Church
- Roman Catholic Church
- Ruthenian Catholic Church of the Greek Rite
- African Methodist Episcopal Zion Church
- Presbyterian Church of the General Assembly of the Presbyterian Church U.S.A.
- United Methodist Church
- Reformed Church of the General Synod of the Reformed Church in America.

The procedures described in this guidance reflect amendments to the RCL and the N-PCL that were included in the Nonprofit Revitalization Act of 2013 ("the Act" or “NPRA”) and 2015 and 2016 amendments to NPRA. Those amendments changed procedures to be followed when transferring or mortgaging real property and gave religious corporations the option of submitting a petition to the Attorney General OR the Supreme Court for approval of the transaction. As more fully described below, in an application solely to the Attorney General, the Attorney General may determine that court review of a particular application is appropriate. In such cases, the verified petition must be submitted to the Court, on notice to the Attorney General.

This guidance is not a substitute for legal advice from a corporation’s attorney but is intended to provide guidance to religious corporations, and the

lawyers who represent them, when seeking to sell, mortgage or otherwise dispose of their real property.

The information in this guidance is general in nature. Each transaction is governed by its own facts, and the Attorney General’s Charities Bureau reviews each one on a case-by-case basis. You are encouraged to discuss the proposed transaction in advance with the Attorney General’s Charities Bureau in New York City or Albany or with an Assistant Attorney General in the Regional Office of the Attorney General to which you are required to submit your application. A list of the offices of the Attorney General, their contact information and the New York counties they serve is in Appendix F.

NOTE: This guidance addresses transactions involving real property. If a religious corporation intends to sell or otherwise dispose of all or substantially all of its assets, regardless of their form, including intangible property such as bonds, stocks or certificates of deposit, Article 2-b of the RCL should be consulted.

Quick Statutory Reference Guide	
Sale, mortgage and lease of real property of religious corporations.	RCL § 12
Disposition of all or substantially all assets.	N-PCL § 510
Petition for court approval	N-PCL § 511
Petition for Attorney General approval.	N-PCL § 511-a.
Application of N-PCL	N-PCL § 103; RCL §2-b

WHAT TRANSACTIONS BY RELIGIOUS CORPORATIONS ARE COVERED BY RCL § 12?

The lease for over five years, sale, mortgage, exchange or other disposition of the real property¹ of a religious corporation requires approval of the Attorney General or the court pursuant to the procedures set forth in the RCL and N-PCL. RCL § 12, N-PCL §§ 510, 511 and 511-a.

Transactions by foreign corporations that do business in New York are also covered. N-PCL § 103.

¹ Throughout this booklet, the term "transaction" will also be used to refer to the sale, lease, mortgage, exchange or other disposition of a religious corporation's assets.

Exceptions to Covered Transactions

Purchase money mortgages (a mortgage taken out at the time of purchase and secured by the new property, as distinguished from mortgaging any property currently owned) are not subject to review by the Attorney General unless the mortgage encumbers other property already owned by the petitioner. Purchase money security agreements and real property acquired as a result of a mortgage foreclosure proceeding or by a deed in lieu of the foreclosure of a mortgage owned by a religious corporation are also not subject to the provisions of N-PCL §§ 510 or 511. RCL §§ 12(1) and § 12(10).

ROLE OF THE ATTORNEY GENERAL

The N-PCL and RCL, as amended by the Act, authorize religious corporations seeking to sell or otherwise dispose of their real property to submit a verified petition for approval of such transaction to *either* the Attorney General or the Supreme Court. RCL § 12 and N-PCL §§ 511 and 511-a.

When deciding whether approval will be sought from the Attorney General or the court, it is advisable to make sure that the contract for the sale of the property is contingent upon the approval of either the Attorney General and/or the Supreme Court. This will protect the corporation since the sale may only take place if it is approved.

When court approval is sought, the N-PCL requires that, upon filing the verified petition with the court, the Attorney General be given a minimum of 15 days' notice before a hearing on the application. N-PCL § 511. **However, the procedure preferred by the Charities Bureau and most courts is submission of a verified petition and proposed order, in draft form with tabs identifying any exhibits, to the Attorney General for review in advance of filing with the court.** This procedure enables the Attorney General to review the papers to ensure that all statutory requirements are met, all necessary documents are included as exhibits, and any concerns of the Attorney General are resolved *before* submission to the court. A sample petition to the court is attached as Appendix A, a checklist of documents needed to request approval of a transaction is attached as Appendix C, and a sample order is attached as Appendix D.

When an application is to the court on notice to the Attorney General and the Attorney General has no objection to the transaction, the Attorney General's Office will provide the Petitioner with a "No Objection" endorsement. Such endorsement, typically stamped on the proposed order approving the transaction, waives statutory service of the Petition since the papers have already been submitted to and reviewed by the Office of the Attorney General. The signed

petition, which must be exactly the same as the final draft petition and include exactly the same exhibits reviewed by the Attorney General, may then be submitted to the court. If a hearing or other court proceeding is subsequently scheduled by the judge, the Petitioner must give notice of such proceeding to the Attorney General. In addition, a copy of the final order, signed by the judge, must be submitted to the Attorney General.

If the Attorney General does not approve the Petition or if there are other parties that object to the transaction and wish to be heard by the court, the application must then be made to the court, on notice to the Attorney General and any other appropriate parties, for an order approving the transaction.

If the Attorney General does not approve a petition, if the Attorney General concludes that court review of the petition is appropriate, or if the corporation chooses to do so, the corporation may apply to the Supreme Court, on notice to the Attorney General, in the judicial district where the corporation's principal office is located for an order approving the transaction.

Circumstances in which the Attorney General may determine that court approval, on notice to the Attorney General, rather than approval of the Attorney General is appropriate include:

- The corporation is insolvent and must proceed on notice to creditors pursuant to N-PCL § 511(c).
- The Attorney General has received complaints or objections from members, creditors of the corporation or other interested persons who are entitled to notice pursuant to N-PCL § 511(b).
- The Attorney General has objections to the transaction that have not been resolved after discussion.

In addition, there may be circumstances when the Attorney General has no objection to a transaction but determines that review by the court is appropriate, including transactions that are unusually complex or will have an impact on the public.

STATUTORY STANDARD

Under the N-PCL's two-prong test, the Attorney General or the court must be satisfied: 1) the consideration and the terms of the transaction are fair and reasonable to the corporation, and 2) the purposes of the corporation or the interests of its members will be promoted by the transaction. N-PCL §§ 511(d) and

511-a(c). These statutory standards and other statutory requirements are discussed more fully below.

THE CORPORATION'S PREPARATION FOR THE TRANSACTION

Approval of the Transaction by the Board

The board of directors or trustees must approve the transaction, and, if there are members entitled to vote (see *Approval of the Transaction by Members* below) the board must adopt a resolution recommending the transaction. A vote of at least two-thirds of the corporation's entire board is required unless the board has 21 or more directors, in which case a vote of a majority of the entire board is sufficient. A corporation's certificate of incorporation or by-laws may provide for greater quorum or voting requirements.

The resolution must specify the terms and conditions of the proposed transaction, including the anticipated consideration to be received by the corporation, the eventual use of the proceeds of the transaction by the corporation, and a statement as to whether or not dissolution of the corporation is contemplated. N-PCL §§ 510(a)(1) and (2).

If the transaction involves a sale or transfer to a "related party,"² the corporation must follow the procedures set forth in the N-PCL § 715, including ensuring that the transaction is in the best interest of, and fair and reasonable to, the corporation and that any officer, director or key employee who has an interest in the transaction discloses the facts of that interest.

Where an officer, director, or key employee has such an interest, the officer, director or key employee must not participate in deliberations or votes of the Board in considering or approving the action. In addition, in certain circumstances, the Board must explicitly consider reasonable alternatives to the transaction. The abstention of the officer, director, or key employee, and the consideration of reasonable alternatives to the transaction must be documented in the minutes of the Board. Corporations planning a transaction should review and

² "Related party" means (i) any director, officer or key person of the corporation or any affiliate of the corporation; (ii) any relative of any director, officer or key person of the corporation or any affiliate of the corporation; or (iii) any entity in which any individual described in clauses (i) and (ii) of this subparagraph has a thirty-five percent or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of five percent. N-PCL § 102 (23).

assess their compliance with the requirements of the N-PCL before entering into the transaction. N-PCL § 715.

Approval of the Transaction by Members

The RCL provides that many religious denominations have members with voting rights, and, in many cases, requires that the voting membership must approve the transaction and use of proceeds **even if the organization’s governing documents do not expressly require such an approval.** For these religious corporations, the voting “members” of the corporation in this context means the religious corporation’s congregation even if the governing documents of the corporation state otherwise. For example, religious corporations incorporated under Articles 7 and 10 of the RCL must obtain approval of their congregation.

In all cases, the voting members must approve a written resolution, adopted by the board, describing the real property involved in, the parties to, and the terms and conditions of, the proposed transaction, including the consideration to be received by the corporation, an explanation as to how the proceeds will be used and a statement of whether or not dissolution of the corporation is contemplated. The resolution must be submitted to a vote at an annual or special meeting of the voting members. N-PCL § 510(a)(1).

Each member of the corporation is entitled to notice of the meeting at which voting on the proposed transaction takes place. The applicable sections of the RCL as well as the certificate of incorporation and bylaws of the corporation should be consulted as to the notice and quorum requirements for voting members for the purposes of the approval. *See, e.g.*, RCL §§ 134, 164 and 195 (minimum requirements of six members for certain denominations listed therein unless a greater quorum set by governing documents of the religious corporation.)

Members of Jewish religious corporations are permitted to vote by proxy if the by-laws or certificate of incorporation permits proxy voting. N-PCL § 609 and RCL § 207.

The resolution, certified by the secretary of the corporation, must be attached to the petition as an exhibit.

Approval of the Transaction by a Governing or Administrative Body

If the corporation’s denomination requires the consent or approval of a governing or advisory body, such as a consistory, synod or Bishop’s Counsel, the

petition must affirm that such consent was provided, and a copy of the consent must be attached as an exhibit. If no such approval is required, a statement to that effect must be included.

PREPARING TO PETITION FOR APPROVAL OF A TRANSACTION

Fair and Reasonable Consideration: Appraisals

In preparing to petition for approval of a transaction, the corporation must determine that the proposed consideration is fair and reasonable. To do so, the corporation must secure an independent appraisal of the property that is the subject of the transaction. Although the statute does not explicitly require an appraisal, court decisions have established that fair market value can best be determined by means of an appraisal, and the court and the Attorney General will generally reject the petition if it is not supported by an appraisal. A licensed appraiser who is completely independent of both buyer and seller must do the appraisal. A real estate agent or broker involved in the sale of the property may not do the appraisal. A real estate agent or broker “fair market assessment” of a property is NOT the same as an appraisal.

An appraisal is not necessary where a solvent religious corporation seeks to convey real property to another religious corporation or to a membership, educational, municipal or not-for-profit corporation for nominal consideration. RCL § 12(8).

If the asset is real property, the appraisal, which should be done no more than 12 months before the date of the contract, should be based on at least three comparable sales, unless a different valuation method is more appropriate. If the transaction is not an arm’s length transaction (i.e., if it involves a sale or transfer to a director, officer, employee or other person with some connection to the corporation), the Attorney General may require two appraisals. If the proposed transaction is for the development of real property, the appraisal should be based on full FAR (floor area ratio) and evaluate any unused development rights (sometimes called “air rights”).

Fair and Reasonable Consideration: Non-cash Consideration

Any non-cash consideration to be received by the corporation in the transaction needs confirmation of value. Such confirmation may be by submission of a third party valuation or, in some instances, acceptable evidence of costs associated with the building and delivery of in-kind consideration such as a new house of worship. Non-cash consideration may also include, but is not limited to, anticipated future payments based on a partnership or joint venture interest. The

value of any future payments, including ground lease payments, should be analyzed showing the net present value using an appropriate discount rate. Please note that anticipated future payments resulting from a joint venture or partnership arrangement are considered speculative and should not form the basis of a seller's fair and reasonable consideration analysis.

Fair and Reasonable Consideration: Security

If the corporation is entering into a development transaction in which the purchaser or a third party plans to build and deliver real property back to the seller, adequate security and assurances need to be evidenced in the documentation. Such security and assurances can take the form of escrow arrangements, guaranties, letters of credit, performance bonds, construction timetables with default provisions and adequate remedies, as well as appropriate provision for worship during construction.

Use of Proceeds of a Transaction

The use of the proceeds must be consistent with the corporation's purposes. Proceeds cannot be used for the personal benefit of a director, officer, employee, member or other interested party. All debts, costs and expenses to be paid at closing must be disclosed in the petition with supporting documentation provided as an exhibit.

If the property being sold is the religious corporation's house of worship and, as of the date of the sale, the corporation has not yet entered into a contract to purchase or lease new premises, the Attorney General will require, as a condition of approval, that the sale proceeds be placed in escrow to ensure that funds will be available to obtain new premises so that the corporation can continue to carry out its corporate purposes. The funds held in escrow will be released only upon a subsequent application to the Supreme Court or Attorney General.

Option Contracts

Option contracts require Attorney General or court approval at the time the option is exercised. The Charities Bureau discourages the use of option or other contingent contracts by religious corporations, especially if they may be exercised over a long term.

VERIFIED PETITION FOR ATTORNEY GENERAL OR COURT APPROVAL

The N-PCL requires that religious corporations seeking to sell, mortgage, lease for a term of more than five years, exchange or otherwise dispose of its property must seek approval of the Attorney General or the Supreme Court. N-PCL § 510(a)(3). A request for approval of such a transaction must be in the form of a verified petition to the Attorney General or to the court on notice to the Attorney General.

Requirements for the Verified Petition to the Attorney General or the Supreme Court

A verified petition to the Attorney General or the court must include the following information:

- The name of the corporation as it appears on its certificate of incorporation or an amendment. N-PCL § 511(a)(1). A copy of the certificate of incorporation and all amendments, and a certified copy of the corporation's by-laws must be attached as exhibits.
- The address of the corporation's principal location.
- The section of the law under which the corporation was incorporated. N-PCL § 511(a)(1).
- The names of the corporation's directors and principal officers, and their home addresses. N-PCL § 511(a)(2).
- A description of the corporation's activities. N-PCL § 511(a)(3).
- A description of the property that is the subject of the transaction. N-PCL § 511(a)(4). For sales, a copy of the deed must be attached as an exhibit. Include a statement as to whether the deed contains restrictions.
- A copy of the contract, lease, or mortgage commitment must be attached as an exhibit. If the contract has been assigned or will be assigned prior to closing, the assignment agreement must also be attached as an exhibit.
- A statement of the fair value of the property. N-PCL § 511(a)(4). A copy of the appraisal must be attached as an exhibit.

- A statement of the amount of the corporation's debts and liabilities and how they are secured. N-PCL § 511(a)(4). In addition, a copy of the corporation's most recent annual financial report or audited financial statements must be attached as an exhibit. If the corporation does not have annual financial reports, it should prepare a current schedule, certified by its Treasurer, of all assets, liabilities, income and expenses of the corporation and attach it as an exhibit. In certain circumstances, the Attorney General may decide that financial statements certified by an independent accountant are required. If the Petition is brought prior to the end of the fiscal year, then a financial report to date should be included.
- The consideration to be received by the corporation. N-PCL § 511(a)(5). If the consideration is less than the appraised value of the property, include a documented explanation.
- A description of the proposed use of the consideration. N-PCL § 511(a)(5). If the corporation is purchasing or leasing new premises, a copy of the contract or lease must be attached as an exhibit. Documentation to support the payment of debts, expenses or other use of proceeds must be attached as an exhibit (evidence of debt, invoices and a closing statement).
- A statement as to whether dissolution of the corporation is contemplated. N-PCL § 511(a)(5). If the corporation is contemplating dissolution, please refer to RCL §18 for guidance as to the disposition of property through a dissolution proceeding in Supreme Court.
- A statement that the consideration and the terms of the transaction are fair and reasonable to the corporation and that the purposes of the corporation, or the interests of its members, will be promoted by the transaction, and a statement of the reasons for that determination. N-PCL § 511(a)(6).
- A statement that the transaction was recommended or authorized by a vote of the directors in accordance with law, at a meeting duly called and held. N-PCL § 511(a)(7). Include the total number of directors, the number of the directors present at the meeting, the vote pro and con, and what constitutes a quorum. A copy of the board resolution, certified by the secretary, must be attached as an exhibit. If any board members have voted against the transaction, provide a brief explanation therefor.
- If consent of members of the corporation is required by law, a statement that such consent was given, in accordance with law, at a meeting of the members duly called and held. N-PCL § 511(a)(8). Include the total

number of members, the number of members present at the meeting, the vote pro and con, and what constitutes a quorum. A copy of the membership resolution, certified by the secretary, must be attached as an exhibit.

- If denominational or other governing authority approval is required for the proposed transaction, a statement that such approval has been obtained. A copy of such approval must be attached as an exhibit.
- A statement of any unusual or extraordinary circumstances of the transaction that will assist in the Attorney General's and/or court's review.
- A statement that the transaction is arms-length and none of the directors, officers, key employees or members of the corporation or their relatives will receive a direct or indirect financial benefit as a result of the transaction or commitments for distribution of proceeds. If any exceptions to the prior statement are necessary, include a statement of how the related party arrangement was approved by the corporation, including but not limited to, compliance with N-PCL § 715, and exhibits evidencing such approval.
- A statement as to whether or not an application to the Attorney General or the court for similar approval was made previously, and, if so, the determination made concerning the application.
- If the application for approval is made to the Attorney General, a statement that the corporation is not insolvent and will not become insolvent as a result of the transaction. N-PCL § 511-a(b).
- If the application for approval is made to the Attorney General, a statement as to whether any persons or entities have raised, or have a reasonable basis to raise, objections to the transaction, including a statement setting forth the names and addresses of such persons, the nature of their interest, and a description of their objections. N-PCL § 511-a(b).
- A statement of the relief requested (approval to sell real property, approval of mortgage, etc.). N-PCL § 511(a)(9).

Venue

If the application for approval of the transaction is made to the court, the verified petition must be submitted to the supreme court of the judicial district or

county court of the county where the corporation has its office or principal place of carrying out the purposes for which it was formed, even if the property to be sold is located elsewhere. N-PCL §§ 510(a)(3) and 511(a).

If the application for approval of the transaction is to the Attorney General, the verified petition must be submitted to the office of the Attorney General's Charities Bureau in New York City or Albany or to the appropriate Regional Office of the Attorney General that handles such applications in the county where the corporation's principal address is located. A list of the offices of the Attorney General, the New York counties they serve and their contact information is in appendix F.

Notice to Interested Persons

The court in its discretion may direct that notice of the application be given to any interested person, such as a member, officer or creditor of the corporation. N-PCL § 511(b). The notice must specify the time and place, fixed by the court, for a hearing upon the application. Any person interested, whether or not formally notified, may appear at the hearing and show cause why the application should not be granted.

In certain circumstances, the Attorney General may ask the court to give notice to interested parties (including tenants or other occupants of the premises) and/or hold an evidentiary hearing. For example, if there is a membership dispute, a dispute as to who constitutes a duly authorized board or a question about the adequacy of the consideration, the Attorney General may ask the court to hold an evidentiary hearing to resolve the dispute.

Notice to Creditors

If the corporation is insolvent or if its assets are insufficient to liquidate its debts and liabilities in full, all creditors of the corporation must be served with a notice of the time and place of the hearing. N-PCL 511(c). In such circumstances, notice to creditors is required by statute, and the petition must be approved by the court on notice to the Attorney General.

REQUIREMENTS FOR THE COURT ORDER OR ATTORNEY GENERAL APPROVAL

If the petition requests court approval, a copy of the proposed order should be submitted to the Attorney General with the verified petition. The order should set forth the terms of the transaction and the consideration. For sales, include the sale price, the purchaser and the address of the property. For leases, include the

amount of rent, the term of the lease, the lessee and the address of the property. For mortgages, include the name and address of the lender, the amount of the loan, the interest rate, the length of the mortgage, and any period of amortization, and the address of the property.

The order must also set forth how the corporation will use the proceeds to be received by the corporation. N-PCL § 511(d). If all or part of the proceeds is to be placed in escrow, this must be stated in the order. Funds in escrow may only be released by further order of the court on notice to the Attorney General.

In addition, the Attorney General requires that the order contain the following: a statement that a copy of the signed court order shall be served on the Attorney General, and that the Attorney General shall receive written notice that the transaction has been completed (i.e., upon closing), if the transaction has been abandoned, or if it is still pending 90 days after court approval.

If the verified petition requests approval of the Attorney General, a copy of the proposed Attorney General Approval should be submitted to the Attorney General with the petition. The Attorney General Approval should include all of the information described above that is required to be included in a proposed order.

CONCLUSION

If you have any questions about the information contained in this booklet or about the procedures for obtaining Attorney General or court approval of a transaction, you may contact the Attorney General's Charities Bureau in New York City or Albany or any of the Attorney General's regional offices for assistance. A list of regional offices and their contact information is included in Appendix F of this booklet.

Appendix A - Sample Petition for Court Approval of Sale of Assets

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF _____

-----X
In the Matter of the Application of :
(NAME OF CORPORATION) : VERIFIED PETITION
For Approval to (type of transaction) :
pursuant to Not-for-Profit Corporations Law :
§§ 510 and 511 and Religious Corporations :
Law § 12) :
-----X

TO: THE SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF _____

Petitioner, (name of corporation) by (name and title of officer) of the corporation
for its Verified Petition herein respectfully alleges:

TEXT OF THE PETITION

WHEREFORE, petitioner requests that the Court approve the (type of transaction)
by (Name of Corporation), pursuant to Religious Corporations Law § 12.

IN WITNESS WHEREFORE, the corporation has caused this Petition to be
executed
this ___ day of (Month), 20___ by

(Name of Officer and Title)

Name of Attorney
Address of Attorney
Telephone Number of Attorney
Email Address of Attorney

NOTE – INCLUDE VERIFICATION PRINTED ON NEXT PAGE

Verification

STATE OF NEW YORK)

SS

COUNTY OF _____)

_____(Name____ , being duly sworn, deposes and says:

I am the (Title) of (Name of Corporation), the corporation named in the above Petition and make this verification at the direction of its Board of Directors. I have read the foregoing Petition and know the contents thereof to be true of my own knowledge, except those matters stated on information and belief, and, as to those matters, I believe them to be true.

(Signature)

Sworn to before me this
____ day of (Month), 20__.

Notary Public

Appendix B - Sample Petition for Attorney General Approval of Sale of Assets

ATTORNEY GENERAL OF THE STATE OF NEW YORK
COUNTY OF _____

-----X
In the Matter of the Application of _____ :
(NAME OF CORPORATION) VERIFIED PETITION
For Approval to (type of transaction) :
pursuant to Sections 510 and 511-a of the
Not-for-Profit Corporation Law and Section 12
Of the Religious Corporations Law :
-----X

TO: OFFICE OF THE ATTORNEY GENERAL

(Street Address)

(City/Town), New York _____
(Zip Code)

Petitioner, (name of corporation) by (name and title of officer) of the corporation
for its Verified Petition herein respectfully alleges:

TEXT OF THE PETITION

WHEREFORE, petitioner requests that the Attorney General approve the (type of
transaction) by (Name of Corporation), a not-for-profit corporation, pursuant to
the Not-for-Profit Corporation Law Sections 510 and 511-a and Religious
Corporations Law §12.

IN WITNESS WHEREFORE, the corporation has caused this Petition to be
executed

this ___ day of (Month), 20___ by

(Name of Officer and Title)

Name of Attorney
Address of Attorney
Telephone Number of Attorney
Email Address of Attorney

NOTE – INCLUDE VERIFICATION PRINTED ON NEXT PAGE

Verification

STATE OF NEW YORK)

SS

COUNTY OF _____)

_____(Name)____, being duly sworn, deposes and says:

I am the (Title) of (Name of Corporation), the corporation named in the above Petition and make this verification at the direction of its Board of Directors. I have read the foregoing Petition and know the contents thereof to be true of my own knowledge, except those matters that are stated on information and belief and as to those matters, I believe them to be true.

Signature

Sworn to before me this
____ day of (Month), 20__.

Notary Public

Appendix C - Checklist for Petition to the Attorney General or the Court for Approval to Sell, Lease, Mortgage or Otherwise Dispose of Assets

Following is a checklist of documents required of corporations seeking approval of the Attorney General or the court to enter into a property transaction:

Verified Petition to the Attorney General or the Court

___ Petition

___ Verification of Petition

Attachments to Verified Petition

___ Copy of the corporation's Certificate of Incorporation and all amendments

___ Copy of the corporation's by-laws

___ Copy of the deed to any real property that is the subject of the transaction

___ Copy of the contract, lease, or mortgage commitment

___ If the contract has been or will be assigned, a copy of the assignment agreement

___ If the corporation seeks to purchase or lease new premises, a copy of the contract or lease

___ Copy of the appraisal

___ Copy of the corporation's financial statements

___ Copy of the resolution of the board authorizing or adopting or recommending the transaction, certified by the corporation's secretary, that includes the total number of directors, the number of directors present at the meeting, the vote pro and con and what constitutes a quorum

___ The resolution of the members approving the transaction, certified by the corporation's secretary, that includes the total number of members, the number of members present at the meeting, the vote pro and con, and what constitutes a quorum

___ If approval of any governing authority is required, copies of such approvals

Approval of the Attorney General or Order of the Court

___ If the Attorney General's approval is sought, a proposed Attorney General Approval

___ If a court order approving the transaction is sought, a proposed Order

APPENDIX D - Sample Court Order Approving Sale of Assets

At the Supreme Court of
the State of New York,
held in and for the County of
on the ___ day of (Month), 20__.

P R E S E N T :

HON.
Justice.

-----X

In the Matter of the Application of :
(NAME OF CORPORATION)

ORDER

For Approval to (type of transaction) :

pursuant to the Sections 510 and 511 of the

Not-for- Profit Corporation law and the :

Index No.

Religious Corporations Law § 12)

-----X

ADD BODY OF ORDER WITH RECITATIONS

AND DECRETAL PARAGRAPHS

E N T E R:

Justice of the Supreme Court

Date

APPENDIX E - Sample Attorney General's Approval of Transactions

ATTORNEY GENERAL OF THE STATE OF NEW YORK
COUNTY OF _____

-----X
In the Matter of the Application of :
(NAME OF CORPORATION) : ATTORNEY GENERAL
for Approval to (type of transaction) : APPROVAL
pursuant to Section 510 and 511-a of the
Not-for-Profit Corporation Law and Section 12 : OAG Approval of the
Religious Corporations Law : OAG-__-20__ - __
:
-----X

1. By Petition verified on (Date) , (Name of Corporation) applied to the Attorney General pursuant to Section 12 of the Religious Corporations Law and sections 510 and 511-a of the Not-for-Profit Corporation Law for approval of an application of (TYPE OF TRANSACTION)

2. The assets that are the subject of the Petition are (DESCRIBE ASSETS)

3. The terms of the transaction and the consideration are as follows:

Note - For sales, include the sale price, the purchaser and the address of the property. For leases, include the amount of rent, the term of the lease, the lessee and the address of the property. For mortgages, include the amount of the loan, the interest rate, the length of the mortgage and the name of the lender.

4. The proceeds will be used for the following purposes:

Note - If all or part of the proceeds is to be placed in escrow, this should be set forth. Funds in escrow may only be released by further approval of the Attorney General.

5. Based on a review of the Petition and the exhibits thereto (and the additional documents and information requested by the Attorney General), and the verification of (Name of Certifier) that (Name of the Corporation) has complied with the provisions of the Religious Corporations Law and the Not-for-Profit Corporation Law applicable to the sale or other disposition of all or substantially all of its assets, and neither the Petitioner or any third party having raised with the Attorney General any objections to the proposed transaction, the transaction is approved.

6. Petitioner shall provide written notice to the Attorney General that the transaction has been completed, if it has been abandoned, or if it is still pending 90 days after approval.

Attorney General of the State of New York

By: _____

Date:

Assistant Attorney General

**Appendix F - Offices of the Attorney General
and the counties covered by each:**

ALBANY - New York State Attorney General

Charities Bureau
The Capitol
Albany, NY 12224-0341
518-473-5049

Counties: Albany, Columbia, Fulton, Greene,
Hamilton, Montgomery, Rensselaer, Saratoga,
Schenectady, Schoharie,
Warren and Washington (note: Sullivan and Ulster for
trusts and estates matters only)

BINGHAMTON

New York State Attorney General
Binghamton Regional Office
44 Hawley Street, 17th Floor
Binghamton, NY 13901-4433
607-721-8771

Counties: Broome, Chemung, Chenango, Delaware,
Otsego, Schuyler, Tioga and Tompkins

BUFFALO

New York State Attorney General
Buffalo Regional Office
Main Place Tower - Suite 300A
Buffalo, NY 14202
716-853-8400

Counties: Allegheny, Cattaraugus, Chautauqua, Erie,
Genesee, Niagara, Orleans and Wyoming

NASSAU (not for trusts & estates matters)

New York State Attorney General
Nassau Regional Office
200 Old Country Road, Suite 240
Mineola, NY 11501-4241
516-248-3302

Counties: Nassau (note: trusts and estates matters are
handled by NYC)

NEW YORK CITY

New York State Attorney General
Charities Bureau
Transactions Section
28 Liberty Street – 19th floor
New York, NY 10005
212-416-8401

Counties: Bronx, Kings, New York, Queens and
Richmond

(note: NYC also handles Dutchess, Nassau, Orange,
Putnam, Rockland, Suffolk and Westchester – trusts
and estates matters)

PLATTSBURGH

New York State Attorney General
Plattsburgh Regional Office
43 Durkee Street, Suite 700
Plattsburgh, NY 12901-2818
518-562-3288

Counties: Clinton, Essex and Franklin

POUGHKEEPSIE (not for trusts & estates matters)

New York State Attorney General
Poughkeepsie Regional Office
One Civic Center Plaza - Suite 401
Poughkeepsie, NY 12601-3157
845-485-3900

Counties: Dutchess, Orange, Sullivan and Ulster (note:
Dutchess and Orange County trusts and estates matters
are handled by NYC; Sullivan and Ulster County
trusts and estates matters are handled by Albany)

ROCHESTER

New York State Attorney General
Rochester Regional Office
144 Exchange Boulevard
Rochester, NY 14614-2176
716-546-7430

Counties: Livingston, Monroe, Ontario, Seneca,
Steuben, Wayne and Yates

SUFFOLK (not for trusts & estates matters)

New York State Attorney General
Suffolk Regional Office
300 Motor Parkway
Hauppauge, NY 11788-5127
631-231-2424

Counties: Suffolk (note: trusts and estates matters are
handled by NYC)

SYRACUSE

New York State Attorney General
Syracuse Regional Office
615 Erie Blvd. West, Suite 102
Syracuse, NY 13204
315-448-4800

Counties: Cayuga, Cortland, Madison, Onondaga and
Oswego

UTICA

New York State Attorney General
Utica Regional Office
207 Genesee Street, Room 508
Utica, NY 13501-2812
315-793-2225

Counties: Herkimer and Oneida

WATERTOWN

New York State Attorney General
Watertown Regional Office
Dulles State Office Building
317 Washington Street
Watertown, NY 13601-3744
315-785-2444

Counties: Jefferson, Lewis and St. Lawrence

WESTCHESTER (not for trusts & estates matters)

New York State Attorney General
Westchester Regional Office
44 South Broadway
White Plains, NY 10601
914-422-8755

Counties: Putnam, Rockland and Westchester (note:
trusts and estates matters are handled by NYC)