

COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, ss.

SUPERIOR COURT DEPARTMENT  
OF THE TRIAL COURT  
CIVIL ACTION NO.

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DEPARTMENT OF MASSACHUSETTS )  
VETERANS OF FOREIGN WARS OF THE )  
UNITED STATES, INC., )

Plaintiff, )

v. )

NORTH END POST No. 144, an unincorporated )  
association; PAUL SPERA, individually and as a )  
member of North End Post No. 144; JOSEPH )  
BLAZO, individually and as a member of North End )  
Post No. 144; CHRISTIAN KULIKOSKI, )  
individually and as a member of North End Post No. )  
144; and JAMES COYLE, individually and as a )  
member of North End Post No. 144.

Defendants. )

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**COMPLAINT**

Plaintiff Department of Massachusetts, Veterans of Foreign Wars of the United States, Inc. (“VFW-MA”) is a Massachusetts non-profit corporation which is chartered by the National Veterans of Foreign Wars of the United States (the “VFW” or “National VFW”) which is itself a veterans’ organization chartered by Congress. The function of the VFW-MA, *inter alia*, is to monitor local VFW organizations (the familiar VFW “Posts”) throughout Massachusetts for compliance with the National VFW’s rules, regulations and policies.

In connection with the exercise of its oversight obligations concerning the Post at issue in this case, the VFW-MA detected certain irregularities in the Post’s reporting and finances. Under VFW rules and regulations – which the Post has been bound by for nearly a century – the VFW-MA took steps to secure the books, records and assets of the Post in order to conduct a

thorough review. The Post, through certain representatives, has failed and refused to cooperate, in violation of the rules that the Post and the individual VFW members are required to follow. The VFW-MA seeks a preliminary injunction to: (a) preserve the books, records and assets of the subject Post; and (b) direct the individual defendants, and any other member of the Post, to cooperate with the VFW-MA's review process by producing for inspection and copying such records, documents and things that the VFW-MA may request; and (c) to refrain from making any expenditure or deposit of Post assets without the express approval of the VFW-MA as provided in the VFW's rules and regulations.

### **PARTIES**

1. Plaintiff VFW-MA is a Massachusetts nonprofit corporation organized under G.L. c. 180 and having a usual place of business at 24 Beacon Street, Boston, Massachusetts. The VFW-MA is charged by the Veterans of Foreign Wars of the United States ("VFW"), a veteran's service organization chartered by Congress, to administer the program of the VFW in the Commonwealth.
2. Defendant North End Post No. 144 ("Post 144" or "the Post") is an unincorporated association which had a usual place of business at 246 Hanover Street, Boston, Massachusetts. Upon information and belief, the remaining Defendants have functionally moved the usual place of business of Post 144 to 20 Standish Road, Attleboro, Massachusetts.
3. Defendant Paul Spera ("Spera") is an individual residing at 20 Standish Road, Attleboro, Massachusetts. Spera is a member of the Post and is the Post Quartermaster of Post 144.
4. Defendant Joseph Blazo is an individual residing at 61 Prince Street, Boston, Massachusetts. Blazo is a member of the Post and is the Post Commander of Post 144.

5. Defendant Christian Kulikoski (“Kulikoski”) is an individual residing at 58 Oak Street, Stoneham, Massachusetts. Kulikoski is a member of the Post and is the Post Adjutant of Post 144.
6. Defendant James Coyle (“Coyle”) is an individual residing at 21 Bunton Street, Milton, Massachusetts. Coyle is a member of the Post and is the Post Trustee of Post 144.

## FACTS

### **A. The Veterans of Foreign Wars – National, State and Local Organizations**

7. The Veterans of Foreign Wars of the United States (“VFW”) is a veterans service organization which is chartered by Congress. The mission of the VFW is to provide a broad program of support for veterans throughout the United States as well as their surviving spouses and children, to foster patriotism and to maintain and extend the institutions of American freedom.
8. Pursuant to its Congressional Charter, membership in the VFW is limited to persons having performed honorable service as a member of the Armed Forces of the United States in a foreign war or certain other recognized overseas conflicts.
9. Pursuant to its Congressional Charter, the VFW is authorized to adopt and amend a Constitution, By-laws and regulations and to undertake all actions generally permitted by a corporation to carry out its purposes. The Congressional Charter confers upon the VFW “the exclusive right to use the name ‘Veterans of Foreign Wars of the United States’ and its corporate seal and to manufacture and use emblems and badges the corporation adopts.”
10. The VFW has adopted a set of by-laws (the “National By-laws”) which have been amended from time to time. The National By-laws, in conjunction with the National

Manual of Procedure, govern all aspects of membership and operations of the VFW and its constituent organizations, including Post 144.

11. Pursuant to the National By-laws, the VFW consists of its eligible members in good standing. With the exception of a limited number of members-at-large, all members of the VFW are required to be a member of a Post.
12. The National By-laws provide for the establishment of VFW Posts nation-wide. A Post is a group of members who submit an application to the VFW to receive a Charter. Once established, a Post is a nonprofit, unincorporated association which agrees, by accepting the Charter, to be subject to the rules and regulations of the VFW contained in the National By-laws and Manual of Procedure. In consideration of these commitments, each Post is permitted to use the VFW's identity, trademarks, rituals and to enroll members in the VFW organization. Within the VFW, Posts function as the basic point of contact with members, providing programs and sources of social interaction for members and their families.
13. Pursuant to the National By-laws and Manual of Procedure, which the Post, and its members, are required to follow, a Post may be suspended or have its Charter suspended or revoked for violations of the National VFW's rules and regulations. The Manual of Procedure contains detailed provisions governing the suspension and revocation process.
14. The National By-laws provide for the establishment of "Departments" in each state in which the VFW is active. Departments are chartered by the VFW and are generally nonprofit corporations organized under the laws of the state they are charged to administer. Departments are governed by a Department Convention consisting of the officers of the Department as well as Post commanders and representatives. The National

By-laws delegate substantial administrative authority to Departments, including direct oversight of Posts, including the authority to inspect the property and operations of Posts and suspend and take control of the affairs of Posts which are in violation of the National By-laws.

15. Plaintiff VFW-MA is chartered by the Veterans of Foreign Wars of the United States (“VFW”) to administer the program of the VFW in Massachusetts.

**B. North End Post No. 144**

16. The VFW granted a charter to the North End Post No. 144 to operate a VFW Post in Boston, Massachusetts on September 10, 1922. The Post’s operating by-laws were revised in 1968. For many years, Post 144 conducted its Post operations in a building located at 246 Hanover Street in Boston’s North End.
17. The National By-Laws require each Post to be directed by a Post Commander and its operational functions are overseen by a Post Quartermaster.
18. The National By-laws and Manual of Procedure further require Posts to conduct periodic regular monthly audits and to render certain reports to the VFW quarterly and annually. Failure to meet these requirements can result in the suspension of the Post’s Charter.
19. The VFW permits Posts to hold real property – particularly real estate and buildings for the purpose of meeting and function space – in a subordinate corporate entity. In order to hold such property, Posts have established subsidiary organizations in the form of nonprofit corporations designed to hold the assets for the benefit of, and under the control of, the Post.
20. Post 144 established a subsidiary organization called The North End Veteran’s Association, Inc. (“NEVA”). NEVA’s by-laws provide that “[o]nly members of the

North End Post #144, Veterans of Foreign Wars of the United States while in good standing, shall be voting members of the Corporation providing they meet with the requirements of Article III, Section 2.” NEVA is an entity that belongs to the Post, and may hold legal title to assets of the Post.

21. The Post is required to file a quarterly audit report, as required by the National By-laws.

**C. Special Order No. 16 – Investigation of Paul Spera**

22. In or around May 2023, VFW-MA became aware of multiple complaints of harassment by Spera. By Special Order No. 16, dated May 22, 2023, Michael Raymond (“Commander Raymond”) the Past Department Commander of the VFW-MA, acting within his authority under the National By-Laws, ordered an investigation into the complaints.
23. On May 23, 2023, Jody Freitas (“Vice-Commander Freitas”), the then-Junior Vice Commander and now Senior Vice Commander of the VFW-MA, acting pursuant to Special Order No. 16, communicated the outcome of the investigation regarding Spera’s conduct to Commander Raymond. Vice-Commander Freitas substantiated that Spera was engaging in a pattern of harassment toward VFW-MA staff and other VFW members. The investigation also revealed discrepancies “between actual finances and what is being reported by Past Chief Spera with regards to Post 144. Repeated attempts by the State Quartermaster to remedy the errors have been ignored, as have requests by the District Commander to provide financial documentation. During interviews it was concluded that the Chief indicated that one fund was significantly larger than has been reported on audits for some time.”

24. Vice-Commander Freitas recommended that Post 144 be suspended immediately, along with a recommendation for a further investigation into the Post's finances.

**D. Special Order No. 17 – VFW-MA Suspends the Post and Uncovers Substantial Financial Discrepancies**

25. By Special Order No. 17, dated May 23, 2023, Commander Raymond, acting within his authority under the National By-Laws, suspended the Post's operations for up to ninety (90) days for: (1) failing to disclose meeting locations of the Post; (2) failing to submit quarterly Trustee reports; and (3) failing to provide access to Post records despite multiple attempts, all of which are required by the National Manual of Procedure.
26. Section 211 of the National By-Laws and Manual of Procedure authorizes the Department Commander of the VFW-MA to appoint an "Administrative Committee" to supervise the business activities of a suspended Post. The National By-Laws provide that, during a period of supervision, an Administrative Committee is charged with overseeing the operations of a Post, securing all records and property of a Post and to approve all disbursements by a Post.
27. Special Order No. 17 established an Administrative Committee to oversee Post operations during the period of suspension. Accordingly, the Administrative Committee was charged with overseeing all fund expenditures and transfers of property and maintain custody of any funds, securities and property of the Post. The Post was directed to provide the Administrative Committee with access to all Post records and prohibited from engaging in any financial transactions without the Administrative Committee's permission.
28. VFW-MA appointed Vice-Commander Freitas as a member of the Administrative Committee. As part of the further investigation into Post operations, Vice-Commander

Freitas reviewed available records and audits and uncovered significant discrepancies going back to 2016. In particular, Vice-Commander Freitas discovered that: (1) for many quarterly financial reports, the beginning balances did not match the ending balances of the previous quarter, sometimes resulting in a difference of more than \$60,000; (2) references to the Post's savings account were omitted from many financial reports; (3) signatures from the same individual differed substantially between financial reports; and (4) financial reports were not properly certified.

29. In addition to these discrepancies, Vice-Commander Freitas observed that substantial funds were received and expended through the Post's relief fund during certain quarters. He also found that Post 144 lost its federal tax exemption status under 501(c)(19) status in 2018 and, following that incident, the Post failed to report receipts to the Internal Revenue Service and the Post had not filed requisite documents with the Massachusetts Secretary of State's Office since 2021.

30. Vice-Commander Freitas could not conclude whether Post 144 was conducting regular meetings with a quorum as required by the Post's by-laws, as meeting locations were included on quarterly reports as "various locations."

31. Vice-Commander Freitas determined that because of the discrepancies, the Post's leadership was failing in its duties and knowingly submitting fraudulent reports.

**E. Special Order No. 18 – VFW-MA Suspends Spera**

32. By Special Order No. 18, dated May 31, 2023, Commander Raymond, acting within his authority under the National By-Laws, initiated disciplinary action against Spera for matters uncovered in recent investigations.



33. VFW-MA charged Spera with the following violations: (1) disobeying and/or disregarding the provisions of the Congressional Charter, By-Laws, National Manual of Procedure, Ritual, General Orders or other laws; (2) preparing and/or signing false records, returns, orders and official documents concerning the Post; and (3) selling and/or otherwise disposing of money or property without proper authority, and damaging, destroying and/or losing Post money and property.
34. Importantly, Spera was charged with misusing more than \$560,000 in Post funds by representing that the operating fund only had \$66,994.04 on each audit report submitted.

**F. Special Order No. 19 – VFW-MA Establishes Its Right to Control of the Post**

35. By Special Order No. 19, dated May 31, 2023, Commander Raymond, acting within his authority under the National By-Laws, suspended Spera from all elected and appointed positions with the VFW effective May 31, 2023 and directed him to turn over all of the Post's records, bank accounts, financial accounts and any other applicable materials by 5:00pm on June 1, 2023.

**G. Post 144 Fails and Refuses to Comply with Special Orders**

36. On June 5, 2023, Spera issued a written response to Commander Raymond of the VFW-MA concerning the recent special orders.
37. In the June 5<sup>th</sup> letter, Spera represented that the Post was “working diligently to rectify any shortcomings that require our attention” while simultaneously requesting that “the committee be released and the suspension be lifted.”
38. In response to the June 5<sup>th</sup> letter, Commander Raymond reminded Spera that he was the subject of disciplinary proceedings and removed from all elected and appointed positions

with the VFW. He directed the Post's Commander to appoint a temporary Quartermaster to engage in further interactions with the Administrative Committee.

39. Based on the Post's failure to provide the requested records by the June 1<sup>st</sup> deadline, Commander Raymond denied Spera's request to lift the Post's suspension.
40. On June 10, 2023, Plaintiff's counsel sent a communication to Defendants Spera, Kulikoski and Coyle and Ralph Masciulli ("Masciulli") concerning Special Order No. 17 and the Post's non-compliance. The communication served to: (1) put Defendants on notice of a possible court action; (2) demand preservation of evidence; and (3) to have Defendants identify counsel if so retained.
41. On July 17, 2023, Spera transmitted certain documents to VFW-MA and VFW-US administrators. The documents were not responsive to the request set forth in Special Order No. 17 and instead, included certain narratives by Spera and sent back communications that VFW-MA had sent to Spera. However, the documents included "amended" Audit Reports for the year 2022 which contradicted the sums contained in the previously submitted audit reports. For example, the Post submitted an Audit Report in March 2023 for the quarter ending December 31, 2022 which represented a net cash balance of \$88,383.64 at the end of that quarter. In stark contrast, the "amended" Audit Report submitted by Spera in July 2023 showed a net cash balance of \$542,678.22 at the end of that quarter.
42. On July 25, 2023, by way of letter through Plaintiff's counsel, Vice-Commander Freitas directed Defendants Spera, Blazo, Kulikoski and Coyle, as well as Masciulli, to attend a meeting with Plaintiff on August 3, 2023 and to bring to that meeting certain documents for review and copying by the Administrative Committee, as well as discuss the Post's

suspension. The cover email explained that if Defendants had any questions about the meeting, they should contact the VFW-MA's counsel.

43. Defendants failed to respond to VFW-MA's counsel, and instead, forwarded the letter to the Adjutant General for VFW-US, Dan West ("Adjutant West"), the Commander-in-Chief for VFW-US, Duane Sarmiento ("Commander in Chief Sarmiento"). Spera, Kulikoski and Adjutant West corresponded over the meeting in a series of emails, with Spera and Kulikoski representing that the Post would oppose the meeting, and Adjutant West directing them to cooperate with VFW-MA's Administrative Committee. Adjutant West notified VFW-MA's Adjutant, William LeBeau ("Adjutant LeBeau") of the same.
44. On August 1, 2023, Vice-Commander Freitas issued a communication to Defendants concerning the August 3, 2023 scheduled meeting. Vice-Commander Freitas offered to reschedule the meeting to a mutually agreeable time, as well as change the location to the VFW offices in the Massachusetts State House. He asked that Defendants provide dates over the next two weeks to meet.
45. On August 3, 2023, VFW-MA State Commander James Morrissey ("Commander Morrissey"), through Adjutant LeBeau, followed up with Defendants requesting available dates to reschedule the meeting initially scheduled for that day.
46. On August 9, 2023, Spera sent an email communication to the Administrative Committee (incorrectly named by Spera as the Suspension Committee) further purporting to serve as Defendants' refusal to meet with the VFW-MA.
47. On August 15, 2023, the Parties, through counsel, agreed that the VFW-MA would "forbear from filing an action to compel compliance with the VFW rules and regulations concerning the operation of its Administrative Committee if the officers of the Post

agreed to meet with the Committee and provide records for review in a reasonable time frame – this week or next.”

48. On August 31, 2023, Defendants, through counsel, repudiated their agreement to meet and provide the requested documents. Instead, counsel for Defendants communicated that the Post had a scheduled meeting for September 20, 2023, and that Post “leaders would be willing to confer with the committee on the 20th prior to the scheduled meeting.” Further, counsel represented that while Post leadership obtained certain financial records, “[a]ny more than that, the leaders would have to understand why...[that] information is pertinent to the suspension.”
49. On September 1, 2023, the VFW, through its Interim Director of Administrative Operations, extended the Post’s suspension through September 23, 2023.
50. On September 5, 2023, VFW-MA, through counsel, made a final offer to meet on September 6, 2023 at the VFW offices in the State House. Defendants did not respond.

**COUNT I**  
**(Declaratory Judgment)**

51. VFW-MA repeats, re-alleges, and incorporates herein the allegations set forth in Paragraphs 1 through 52 of the Verified Complaint as if fully set forth herein.
52. Administration of the Post is properly vested in the Administrative Committee appointed by the VFW-MA. To the extent that Defendants have refused to turn over the books, records and assets of the Post to the Administrative Committee in violation of the rules and regulations binding the Post through its charter is a justiciable controversy that exists between the parties.

53. The property of the Post includes NEVA, which is a “subsidiary unit” of the Post. NEVA’s by-laws reflect the intent of the parties that the Post would hold assets subject to the National By-laws of the VFW.
54. On May 23, 2023, the Department Commander of the VFW-MA appointed an Administrative Committee to oversee the operations of the Post. Specifically, the VFW National By-laws and Manual of Procedure authorize and direct the Administrative Committee to “supervise the business and affairs of the Post during the period of suspension” and “shall approve the expenditure or obligations of all funds and transfers of all property while the order of suspension is in effect.” The Department Commander’s Special Order provided that the Administrative Committee would have the sole authority to make expenditures during the period of suspension.
55. VFW-MA seeks a declaration that the Post be directed to cooperate with the Administrative Committee in all respects. The Post’s actions violate the terms of its own by-laws and violate the status of NEVA self-described status as a subsidiary organization if the VFW.

**COUNT II**  
**(Breach of Contract)**

56. VFW-MA repeats, re-alleges, and incorporates herein the allegations set forth in Paragraphs 1 through 55 of the Verified Complaint as if fully set forth herein.
57. By virtue of the obligations created in its Charter, and its 100-year history of acting as a VFW post, Post No. 144 has a contractual duty to comply with the VFW-US’s National By-laws, National Manual of Procedure, and Post By-laws. Defendants, individually and as members of Post No. 144, have violated their obligations created by those rules and regulations to cooperate with and comply with directives from the VFW-MA.

This includes, *inter alia*, Defendants' failure to cooperate with the VFW-MA's Administrative Committee, which is duly organized under the National VFW by-laws and Manual of Procedure.

58. As a direct and proximate result of Defendants' breach of contract, VFW-MA has suffered serious economic damage, including, but not limited to, attorneys' fees and costs.

WHEREFORE, VFW-MA demands Judgment in an amount to be determined by the trier of fact, plus interest from the date of breach, and attorneys' fees and expenses.

**COUNT III**  
**(Tortious Interference with a Contract)**

59. VFW-MA repeats, re-alleges, and incorporates herein the allegations set forth in Paragraphs 1 through 58 of the Verified Complaint as if fully set forth herein.

60. The individual Defendants have intentionally interfered with the Post's obligations to the VFW under the National By-laws, National Manual of Procedure, and Post By-laws with improper motive and means.

61. As a direct and proximate result of Defendants' interference, the Plaintiff has suffered serious economic damage, including, but not limited, attorneys' fees and costs.

WHEREFORE, Plaintiff demands Judgment in an amount to be determined by the trier of fact, plus interest from the date of breach, and attorneys' fees and expenses.

**COUNT IV**  
**(Fraud)**

62. VFW-MA repeats, re-alleges, and incorporates herein the allegations set forth in Paragraphs 1 through 61 of the Verified Complaint as if fully set forth herein.

63. Defendants have falsely represented material facts relative to Post operations with full knowledge of those falsities, for the purpose of inducing VFW-MA's belief as to the veracity of those facts. These misrepresentations include the following discrepancies learned of in May 2023 occurring since at least 2016:
- a. for quarterly financial reports in January 2017; September 2018; June 2019; December 2021; March 2022; June 2022 and September 2022, Post 144's beginning balances did not match the ending balances of the previous quarter, sometimes resulting in a difference of more than \$60,000. In addition, references to the Post's savings account were omitted from the September 2018 and March 2019. Signatures from the same individual differed substantially between financial reports filed in September 2018, March 2019, September 2019, September 2020 and December 2020. Lastly, financial reports were not properly certified in June 2016; September 2016; December 2016; January 2017; September 2021, March 2022, June 2022 and September 2022.
  - b. Substantial funds were received and expended through the Post's relief fund during certain quarters such as June 2018, June 2019 and December 2019 without proper documentation.
  - c. Post No. 144 lost its federal tax exemption status under 501(c)(19) status in 2018 and, following that incident, it failed to report receipts to the Internal Revenue Service and had not filed requisite documents with the Massachusetts Secretary of State's Office since 2021.
  - d. The Post submitted an Audit Report in March 2023 for the quarter ending December 31, 2022 which represented a net cash balance of \$88,383.64 at the end

of that quarter. In stark contrast, the “amended” Audit Report submitted by Spera in July 2023 showed a net cash balance of \$542,678.22 at the end of that quarter.

64. Defendants’ false representations caused VFW-MA to rely upon those representations as true.

65. As a direct and proximate result of Defendants’ false representations, VFW-MA has suffered damages. By being misled in the exercise of its supervisory function, VFW-MA has permitted a Post which concealed serious irregularities to continue to hold itself out to the public as a VFW Post in good standing.

WHEREFORE, VFW-MA demands Judgment in an amount to be determined by the trier of fact, plus interest from the date of breach, and attorneys’ fees and expenses.

66. The Post has been suspended and is not presently a functioning veterans’ organization.

67. The continued operation by the Post a “VFW Post” at the premises irreparably harms the VFW and VFW-MA. Further, to the extent the Post holds itself out as a nonprofit veterans’ organization pursuant to the nonprofit status of the VFW, it further irreparably harms the VFW by misleading the public.

WHEREFORE, VFW-MA prays for a declaration of the rights and legal relations of the parties.

WHEREFORE, VFW-MA request that his COURT:

A. Enter a TEMPORARY RESTRAINING ORDER and PRELIMINARY INJUNCTION:

1. REQUIRING Defendants to place all operations of the Post under the direction of the Administrative Committee of the VFW-MA;



2. REQUIRING Defendants to make all books and records of the Post, whether printed or stored electronically, and whether in the possession of the Defendants, the Post members or any person acting on behalf of the Post, including but not limited to any accountant, bookkeeper or counsel, to the Administrative Committee;
3. PROHIBITING Defendants, or any person acting on their behalf, from taking any actions in connection with the sale or other effort to transfer or alienate the assets of the Post, including assets of NEVA or from effecting any change to NEVA including alteration of its Articles of Organization or By-laws;
4. REQUIRING DEFENDANTS TO Provide Plaintiff VFW-MA with an accounting of the Post; and
5. DIRECTING Defendants to hold the property of the Post in a constructive trust, including NEVA, for the benefit of the VFW-MA until further order of this Court.

B. Enter a PERMANENT INJUNCTION granting the preliminary relief requested above; and

C. GRANT the VFW-MA such further relief as the Court deems appropriate, including its costs and attorney's fees.

### **JURY DEMAND**

Plaintiff demands a trial by jury on all issues raised in the Complaint so triable.

DEPARTMENT OF  
MASSACHUSETTS VETERANS OF  
FOREIGN WARS OF THE UNITED  
STATES, INC.  
By its attorneys,

*/s/ Robert D. Hillman*

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