

UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF NORTH CAROLINA
BRYSON CITY DIVISION

FILED
ASHEVILLE, N.C.

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U.S. DISTRICT COURT
W. DIST. OF N.C.

CONNIE MANSFIELD, Personal)
Representative of the Estate of Harold)
Mansfield, on behalf of herself and the)
Estate,)

Plaintiff,)

v.)

WILLIAM PIERCE,)

Defendant.)

Civil Action No. 2:95cv 62

NATURE OF ACTION

1. The plaintiff, Connie Mansfield, brings this civil action to enforce a Florida judgment against the Church of the Creator, a white supremacist organization, for the murder of her son by a Church-ordained "Reverend." Defendant Pierce holds funds obtained as a result of a transaction between himself and the Church that was designed to place the Church's assets beyond the reach of a civil suit for the death of Ms. Mansfield's son. Ms. Mansfield, as judgment creditor, seeks to hold the defendant liable for the amount by which he profited from this fraudulent transfer.

PARTIES

2. Plaintiff Connie Mansfield, an adult resident of Oklahoma City, Oklahoma, is the mother of decedent Harold Mansfield and the personal representative of his estate. Harold Mansfield was also a resident of Oklahoma City, Oklahoma.

3. Defendant William Pierce is an adult resident of Hillsboro, West Virginia. He is the head of the National Alliance, a white supremacist organization.

JURISDICTION AND VENUE

4. This Court has jurisdiction of this action pursuant to 28 U.S.C. § 1332(a)(1). The amount in controversy exceeds \$50,000, and the parties are citizens of different states.

5. Venue is proper pursuant to 28 U.S.C. § 1391(a). A substantial part of the events giving rise to this claim occurred in this judicial district.

STATEMENT OF FACTS

6. The Church of the Creator (COTC) was a corporation devoted to white supremacy that had chapters in approximately twenty states in the early 1990s. Ben Klassen was COTC's founder and leader.

7. Until mid-1992, COTC's national headquarters was located on twenty-two acres of land in Macon County, North Carolina. The COTC headquarters was the organization's only significant tangible asset.

8. Under Klassen, COTC's goal was a Racial Holy War, a white Aryan revolution that would eliminate Jews, blacks and other minorities through mass murder. To that end, COTC actively supported and encouraged violence against Jews and non-whites.

9. On May 17, 1991, a COTC member and ordained "Reverend," George Loeb, murdered Harold Mansfield, a black U.S. Navy shipman, in Jacksonville, Florida.

10. Mansfield's murder was racially motivated and was carried out in furtherance of COTC's goal of eliminating non-whites and "purifying" the white race.

11. On December 12, 1991, COTC "Reverend" Loeb was indicted in Florida for murdering Mansfield. He was convicted of the murder on July 29, 1992, and sentenced to life in prison.

12. At the time of Loeb's indictment, Klassen was aware that Loeb had been charged with killing Mansfield. To signify his approval of the killing, Klassen granted Loeb an "Award of Honor" in *Racial Loyalty*, a publication sent to the COTC membership.

13. At the time of Loeb's indictment, Klassen was fearful that COTC would be sued for Mansfield's death. Klassen knew that other white supremacist groups like COTC had been held liable when their members murdered or injured non-whites.

14. In an effort to immunize COTC from suit by Mansfield's estate, Klassen privately offered in June 1992 to sell COTC's headquarters and twenty-two acres of land in Macon County, North Carolina, to defendant Pierce for \$100,000.

15. On July 17, 1992, Klassen, as COTC's president, executed the deed transferring the COTC headquarters property to defendant Pierce. Defendant Pierce traveled to Macon County, North Carolina, for the closing.

16. Klassen sold the COTC property to defendant Pierce to defraud Mansfield's estate by ensuring that COTC's only significant tangible asset would be beyond the reach of the estate in the event that COTC were found liable for Mansfield's death.

17. The sale of the COTC property was not an arms-length transaction between strangers. Defendant Pierce and Klassen had been friends, associates, and national leaders in the white supremacist movement for more than eighteen years.

18. At the time of the transfer, defendant Pierce was the leader of the National Alliance, a neo-Nazi group that promotes white supremacy.

19. At the time of the transfer, defendant Pierce was aware that other white supremacist groups like COTC had been held liable when their members murdered or injured non-whites.

20. The sale price of \$100,000 for the North Carolina COTC headquarters property was grossly inadequate compared to its value.

21. Pierce knew or should have known that the COTC property had a fair market value far in excess of the purchase price.

22. On January 13, 1994, defendant Pierce went to Macon County, North Carolina, and sold the COTC property for \$200,000 with little or no improvements having been made. Pierce thereby received a \$100,000 windfall profit from the sale.

23. On March 7, 1994, plaintiff, on behalf of herself and her son's estate, filed suit in Florida against COTC for the death of her son.

24. On May 2, 1994, plaintiff obtained a judgment for \$1,000,000 against COTC in the Florida action. A copy of the judgment is attached as Exhibit A.

FIRST CAUSE OF ACTION - Fraudulent Conveyance

25. The conveyance of the COTC property by Klassen to defendant Pierce was made with the actual intent to delay, hinder and defraud the plaintiff of just and lawful actions and debts.

26. Defendant Pierce was not a bona fide purchaser for value.

27. Defendant Pierce's \$100,000 windfall profit was the direct product of the fraudulent transfer of COTC's assets.

SECOND CAUSE OF ACTION - Unjust Enrichment

28. As a result of the fraudulent transfer from COTC to defendant Pierce, defendant was unjustly enriched in the amount of his \$100,000 profit – funds that as a matter of equity and good conscience belong to plaintiff.

THIRD CAUSE OF ACTION - Successor Liability

29. Defendant Pierce is liable as a successor for COTC's debt to plaintiff because the transfer of COTC's assets to defendant was done for the purpose of defrauding plaintiff.

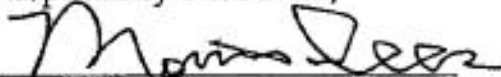
30. Defendant Pierce is liable as a successor for COTC's debt to plaintiff because Pierce purchased substantially all of COTC's tangible assets for grossly inadequate consideration, was not a good faith purchaser for value, and used COTC property to continue the work of COTC.

PRAYER FOR RELIEF

WHEREFORE, plaintiff prays that this Honorable Court:

- 1) Declare that the conveyance of COTC's property to defendant was fraudulent and that defendant was not a bona fide purchaser;
- 2) Declare that defendant is the constructive trustee of the \$100,000 profit he gained from the sale of the COTC property, or, in the alternative, declare that defendant is liable for COTC's debt to plaintiff as COTC's successor;
- 3) Order defendant to transfer \$100,000, plus any accrued interest, to the plaintiff; and
- 4) Grant plaintiff such other relief as the Court deems necessary and just.

Respectfully submitted,



Morris S. Dees

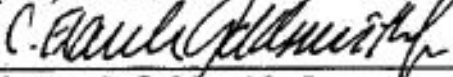
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