

## Church retreat may be seized

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A controversial church retreat run by the Christ at the Sea Foundation may be seized for payment of back taxes owed by the foundation's creator, Miller Newton.

A 2001 bankruptcy case against Newton and his wife, the original property owners, was recently reopened by the U.S. Bankruptcy Court in Tampa after Stephen Meininger, the bankruptcy trustee, questioned the validity of Newton's transfer of the church property to the foundation.

Now, Newton has until Aug. 8 to answer a formal complaint filed by Meininger that further charges the property transfer was "fraudulent" under state law.

Meininger wants the court to issue a declaratory judgment taking the property to pay off more than \$100,000 in penalties levied on Newton for failure to pay federal withholding taxes.

The \$131,169.24 IRS tax lien included in the original bankruptcy case related to Newton's operation of Kids of North Jersey Inc., a New Jersey-based drug rehabilitation center for teenagers.

Meininger, in his bankruptcy court complaint, said Newton "knew or should have known" that the withholding taxes for 1996 were owed by the rehabilitation center and that the IRS would demand payment."

The actual tax lien was not recorded until June 1998, almost a year after Newton and his wife first transferred the church property to the foundation.

As a result of that lien, as well as other debts owed by the rehabilitation center, the Newtons voluntarily filed for bankruptcy in 2001. The court discharged the case last year, but reopened it this spring at Meininger's request.

Meininger is challenging the ownership of the property, alleging the foundation was not a legal entity at the time of the 1997 transfer.

When the Newtons' filed a corrective quit claim deed in 2003, the Newtons' bankruptcy was still pending in court and therefore was improper and illegal, he said.

"The debtors continued to possess legal interest in the property," Meininger said, arguing that the Newtons should have listed the property as among their assets.

That failure was "fraudulent as to creditors," Meininger says.

Meininger is asking the court to direct the Christ at the Sea Foundation to "immediately turnover the property" or pay its "equivalent value" to satisfy the Newton's IRS tax lien.

Newton said Tuesday he plans to fight the action.

"It's outrageous. It's totally untrue," Newton said.

Newton denied that anything improper was done in transferring the property to Christ at the Sea Foundation.

"In 1997 I did not know that the rehabilitation center's debts would be transferred to me, nor did I know that I would be filing for bankruptcy," Newton said.

He said the foundation has paid the mortgage and expenses for the property since 1997 and has properly filed all forms with the IRS.

The church property, located at 13289 Fourth St. E, is no stranger to controversy.

Last year, it became the focus of a city investigation when neighbors protested the erection of a roof cupola with a cross.

The foundation uses the building as a temporary residence and prayer center for members of the Orthodox Church of Antioch. The building was expanded with city permitting in 1998 to include a recreation structure. That structure later became a private chapel, a use the city said violated city zoning codes.

In an attempt to resolve the dispute, Newton applied for a special exception to officially allow the property to be used as a church.

City-issued zoning code violations were upheld by a special master who ruled the church could continue to operate only if the foundation agreed to reduce the visibility of its operations.

After several hearings, Newton agreed to the conditions.

Newton says "people involved in the zoning problem" pushed for the bankruptcy court to reopen his case.

"They bragged about it to me," Newton said Tuesday.

At least one longtime Newton critic - Richard Bradbury - confirmed his involvement in getting the bankruptcy case reopened.

"Yes, I and others turned him in," said Bradbury, who is active among a group of self-described "Straight survivors".

Newton first came under fire locally for his involvement in the 1980s drug rehabilitation program.

Several successful lawsuits were filed in 1983 against the Straight program, charging that former clients were abused or held against their will.

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