

**CITY'S LARGEST BLACK-OWNED DOWNTOWN
BUSINESS INVOLVED IN FORECLOSURE DISPUTE**

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situation put them into a serious financial bind.

"I went to Mechanics & Farmers with a request to refinance the loan. They assured me that something would be worked out and because I sit on the city board and wanted to support the bank, I continued to wait, believing what they told me and this proved to be a major mistake on my part. I should have taken the deal to some other bank", she said.

Unable to repay the mortgage, M & F, the city's largest Black-owned financial institution, started foreclosure action against Wiley Brown & Associates in February of last year. According to Wiley Brown's attorney, prior to obtaining a court order allowing the lock out of Wiley Brown, the bank changed the locks to the building. Last month, the bank formally took possession of the building, thereby forcing Wiley and some of her tenants out of the building.

During the foreclosure proceedings, Wiley said she secured a commitment from Southern Community Bank to refinance and pay off the Mechanics & Farmers delinquent mortgage. "But they will not take the money. I have a firm letter of commitment. Another institution is ready to pay them off, but for whatever reason, they will not accept the money", said Wiley. "There have been several offers on the table, even before the foreclosure proceedings occurred, but we continue to remain at an impasse", Wiley said.

The controversy between the two Black firms has caused a firestorm of concern and raised eyebrows across religious and political lines. According to Wiley and other city leaders, Mechanics & Farmers bank officials have been "totally unreasonable" since the commitment from Southern Community was put on the table. Wiley said the latest appraisal of the 42,000 square foot building is in excess of \$2 million dollars.

"We have a bona fide offer to pay them more than the balance...in fact we offered them \$100,000 more than we owe and they still refuse to accept the money", said Wiley.

"I've discussed this matter with a number of community leaders including Mayor Allen Joines and State Representative Earline Parmon. They are just as mystified as I am as to why M & F will not cooperate with a bona fide offer to completely pay them off and make them whole". Wiley said the City of Winston Salem held a second lien on the property of \$94,000.

"The City of Winston Salem has been extremely supportive of our project and they firmly believe in our expansion plans", said Wiley.

A call to Southern Community bank officials confirmed that they have made a firm commitment to completely pay off the balance owed to Mechanics & Farmers bank.

According to bank officials, "Southern Community has made a commitment to refinance or repurchase the property".

Bank officials at the Winston-Salem branch of M & F were not available at press time. Efforts to speak to officials at the bank's corporate headquarters in Durham were also not successful at press time.

The continuing impasse between the two Black firms has raised the ire of many of the city's most influential religious and political leaders.

Last year, a delegation from the Winston Salem Minister's Conference traveled to Durham to meet with bank officials in an effort to resolve matters, but were unsuccessful.

"We have appealed to Mechanics & Farmers bank to rethink their position regarding this situation", said the Rev. Dr. Seth Lartey, senior pastor of Goler Memorial AME Zion, and one of the leading supporters of M & F bank.

"Wiley Brown now has the funds to refinance or repurchase the building. A firm letter of commitment has been brought to the table from another financial institution (Southern Community) yet M & F has refused to deal with the matter. We are not going to stand by and watch another Black business go out of business", said Lartey, who was the sparkplug behind a drive that brought, "massive amounts of new business to the bank".

When asked about his well known public role as an advocate for the M & F bank and how it had resulted in significant deposits and new business, Lartey expressed his concern and disappointment about the matter..

"Apparently all the work we have done on behalf of the bank was not considered; we've not been listened to; however, my hope is that wisdom will prevail. Now the funds to take care of the matter are at hand and I would hope this would merit some consideration", he said.

"Mrs. Wiley now has what the bank needs, and the bank has what Mrs. Wiley needs and that is to get her building back. And we are not going to relent until she gets it back", said Lartey.

Virginia Newell, a former 16 year city council member and one of the leaders who helped organize and bring M& F bank to the city expressed surprise and amazement at the bank's actions.

"I just don't understand it. I helped to organize this bank. I've spent a great deal of time trying to figure out why this has not been resolved. She has another lender. She has the money. She's been downtown for nearly 10 years. She and her husband have struggled and worked very hard and we need some Black-owned businesses downtown. Now, she has found the money to pay them off, and why they don't take the money, well, I just don't know. This whole thing just baffles me", she said.

Newell said she didn't know the inner workings of M & F bank but hoped that the matter would soon be resolved. She said she knew the bank was not in the real estate business and could not understand why they would not accept the offer made by another financial institution. "Looks like somebody has dropped the ball somewhere. I just hope M & F

will take the money owed to them, give the young lady her building back and they can both get on with business", she said.

The lockout caused serious disruptions for many of the building's tenants. Even though Frank Ancona, pastor of the new Direction Christian Fellowship had a paid up lease through December, the lockout forced his church congregation to move out.

"We had a valid lease; we were never behind in payments but the bank refused to give us a key. We had our lawyer talk to their lawyer, but got nowhere. On December 6th, we were locked out just like the building owners and other tenants. Just because one party is involved in an argument with another party, it should not involve us. We had nothing to do with the dispute."

Ancona said, "I just don't understand the logic. To hold us accountable for something we had nothing to do with is just reprehensible. It's just so unfortunate, but we've been blessed to have found another place to hold our worship services.

Wiley, who sits on M & F's local board said the biggest mistake she made was not taking action sooner.

"I thought I was doing the right thing by keeping my mortgage with this bank since they were working so hard to increase their business loan portfolio. My intent has always been to assist with further developing the bank."

Wiley's attorney, Robert Lefkowitz says he is working to have the foreclosure sale overturned.

"The purchase price is grossly inadequate. M&F purchased or took ownership of the building for \$601,000 dollars when the appraised value is over \$2 million dollars and probably more. In my 20 years in practice, I have never seen a time when a bank would not give out payoff information. Southern Community has been waiting since July for payoff information".

While the legal wrangling between the two Black-owned businesses continues to play out, Wiley says she has no plans to give up her efforts to get her building back.

"We have been downtown for close to ten years. My husband and I will continue to operate our businesses based on honesty and integrity. What has happened to us is no different than that which many other business owners have come up against. What we needed was an institution that was willing to stick with us not only during the good times, but also through the challenging times", she said.

"Each business that we have has been built based on the principle of serving people and we truly believe that if we do not fight for what is right, we will have missed the mark and not only disappointed God, but many other people as well", she said. Wiley's husband, Dorrel Brown said "This whole situation is unfortunate. All too often our community is left out of the process and we face injustices due to a lack of capital. In this instance that was the case ... we are victims of black on black economic injustice", said Brown.

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Dr. James F. Linvill
1715 Indiana Avenue
Winston-Salem 27110

(336) 767-4144
E-mail: jplc2005@bellsouth.net
Website:
www.pineygrovechc.org

