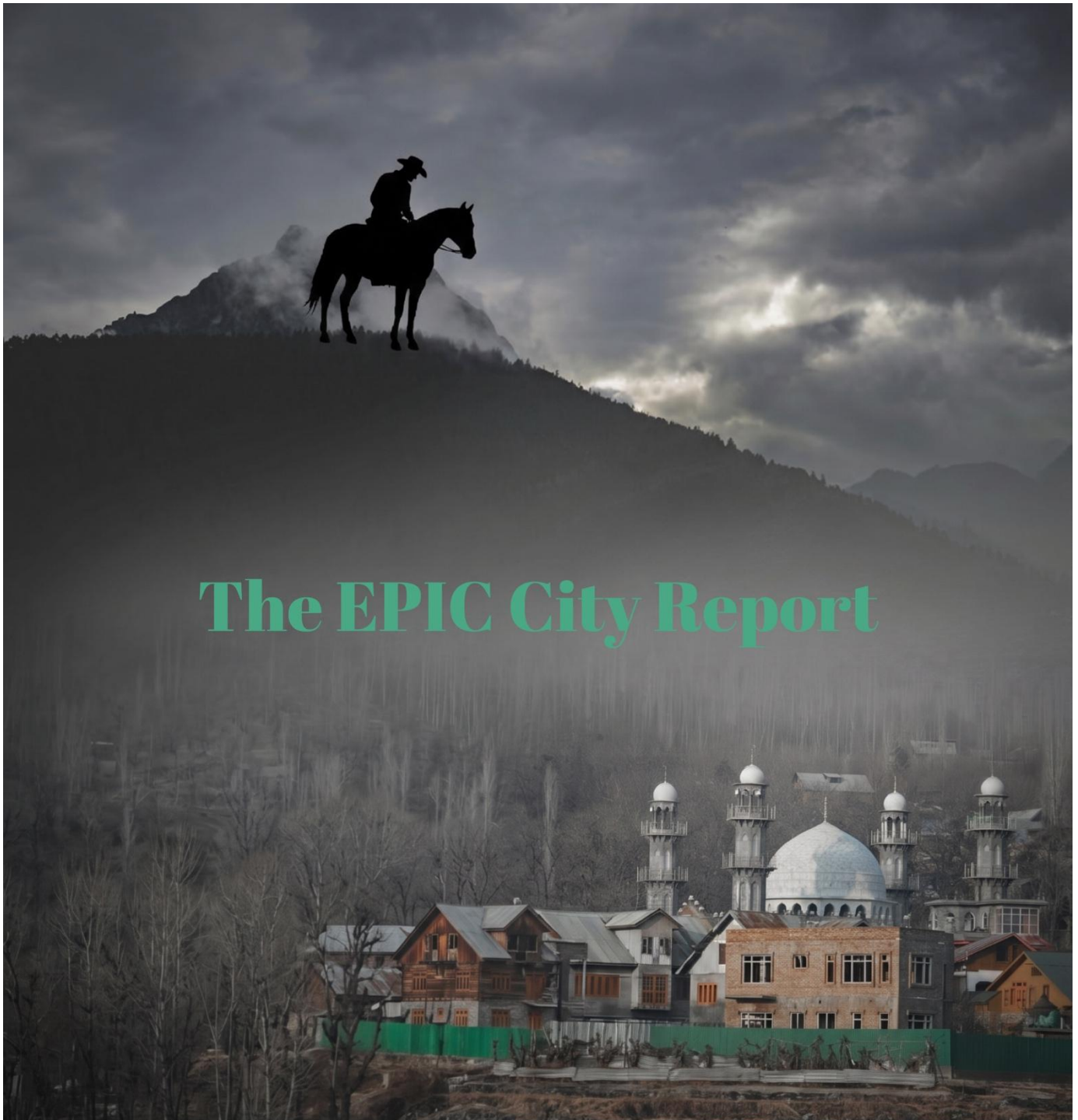


The EPIC City Report
Oversight Project's Investigation into the North Texas 'Sharia City'



The EPIC City Report

OVERSIGHT PROJECT
IT'S YOUR GOVERNMENT

TABLE OF CONTENTS

EXECUTIVE SUMMARY 3

I. THE CURRENT STATE OF PLAY ON EPIC CITY 6

- A. Local Latest..... 6
- B. State-Level Latest 7
- C. Latest Federal Developments..... 8

II. THE TWC COMPLAINT 9

- A. EPIC’s Corporate Structure Potentially Violates Non-Profit and Securities Laws 9
- B. EPIC May be Engaged in Unlawful Religious Discrimination 11
- C. EPIC City May be Subject to Additional Constitutional Constraints..... 13
- D. EPIC City May be Violating Consumer Protection Laws and Investor Disclosure Requirements 15
- E. EPIC City May be Violating Prohibitions on Support to Terrorist Organizations 16

III. THE TWC INVESTIGATION MISSED THE MARK 16

- A. EPIC, ERP, and CCP’s Responses to the TWC Subpoena Do Not Make Sense 16
- B. The Conciliation Agreement to Settle the Charges Fails to Address Key Issues 20

IV. AG PAXTON’S LEGAL CRUSADE: TEXAS LAWSUITS TO STOP DEVELOPMENT OF EPIC CITY 23

- A. Securities Lawsuit..... 23
- B. Lawsuit to Stop the EPIC City MUD 26

V. OVERSIGHT PROJECT ANALYSIS: POTENTIAL GROUNDS FOR REVOCATION OF EPIC’S 501(C)(3) TAX-EXEMPT STATUS..... 28

- A. The EPIC Mosque May Not be Operating Exclusively for Exempt Purposes 29
- B. The EPIC Mosque May Serve Purposes that Contravene Fundamental Public Policy 33

CONCLUSION 35

EXECUTIVE SUMMARY

In a 2024 livestreamed sermon, Yasir Qadhi, the Dean of the Islamic Seminary of America and resident scholar at the East Plano Islamic Center (“EPIC”)¹ stated:

“Allah has blessed us with a number of factors . . . Alhamdulillah, this masjid is not just a masjid isolated from community; it is a masjid and a community combined in one. We are surrounded by more than a hundred houses [and] an apartment complex; within a five mile radius [we have] a thousand Muslims.”²

That was Qadhi’s pitch for EPIC City. It sold out within days of its original announcement in 2024.³

For the past several months, the Oversight Project has been investigating EPIC City, the controversial, apparently Muslim-only planned community, now known as “The Meadow.”⁴ Located just outside of Dallas, Texas, near the town of Josephine in both Collin and Hunt Counties, the Meadow is a proposed 400-plus-acre development spearheaded by EPIC. The developer has purchased land for a full-service community that includes housing, a mega-Mosque, schools, and commercial businesses.

The Developer of EPIC City is a for-profit entity called Community Capital Partners, LP (“CCP”). CCP has general and limited partners. The general partner is a for-profit entity called EPIC Real Properties, Inc (“ERP”), which retains all decision-making authority over CCP. The single shareholder of ERP is the EPIC mosque. ERP has a board of directors consisting of three “volunteers” who are also the directors and officers of CCP.⁵ Imran Chaudhary is the Executive Officer of CCP and has previously served as the President of the EPIC mosque. Individuals have purchased millions of dollars in “shares” for \$80,000 each to acquire the right to build a home in the community. These investors are CCP’s limited partners.

The project’s investor summary makes clear that one hundred percent (100%) of the net proceeds from the sale of the lots are donated back to EPIC “to further the objectives of the Masjid.”⁶ This explicit financial arrangement—where a non-profit mosque (i.e., EPIC) has created a for-profit entity (i.e., ERP and/or CCP) that exists solely to funnel all of its profits back to the non-profit mosque—raises serious constitutional, tax, and practical concerns, especially given that it is geared toward the development of a Sharia-compliant community in EPIC City. The Oversight Project’s legal analysis of this arrangement, consisting of a straightforward application of the relevant bodies of law to our examination of public records returns, finds that EPIC is likely in violation of its 501(c)(3) federal tax-exempt status. Based on our findings, we recommend the IRS

¹ Yasir Qadhi, Al Jazeera, <https://www.aljazeera.com/author/yasir-qadhi> (last visited Apr. 1, 2026).

² Samee Ahmad, *Dreaming EPIC in Texas: The Rise of the Muslim Megachurch*, ACACIA, Fall 2026, <https://www.acaciamag.com/issue-04/dreaming-epic-in-texas> (last visited Apr. 1, 2026).

³ *Id.*

⁴ For purposes of this Report, we use “EPIC City” and “The Meadow” interchangeably.

⁵ See Community Capital Partners LP, Notice of Exempt Offerings of Securities (Form D) (Jun. 6, 2024).

⁶ See Figure 4, *infra*.

launch a full investigation into EPIC’s compliance with the Internal Revenue Code, use the tools available to federal law enforcement to obtain additional information in furtherance of this investigation, and issue a ruling on the revocation of EPIC’s 501(c)(3) status.

State and federal officials in Texas have raised alarms about how EPIC City not only raises issues of unlawful religious discrimination, but also implicates violations of multiple state and federal laws. Members of Congress have recently formed a “Sharia Free America Caucus” in the House of Representatives.⁷ But more needs to be done. It is time for elected leaders and law enforcement officers at all levels of government to exercise every power at their disposal to put an end to these projects. Or else Texas risks becoming the next Dearborn, Michigan or Mini-Mogadishu Minneapolis, Minnesota.

The Civil Rights Division of the U.S. Department of Justice (“DOJ”) decided to close its investigation into EPIC City for potential Fair Housing Act violations on June 13, 2025.⁸ We have since submitted a Freedom of Information Act Request for the case file, yet DOJ has refused compliance with our request. In December 2025, Texas Attorney General Ken Paxton brought a lawsuit on behalf of the State against the entities managing and developing EPIC City, the EPIC mosque itself, and several individuals intimately involved in the enterprise, alleging violations of the Texas Securities Act.⁹ In February 2026, Attorney General Paxton brought a second lawsuit on behalf of Texas against the Municipal Utility District created to facilitate the construction and development of EPIC City, alleging violations of Texas environmental laws.¹⁰ On January 12, 2026, the Engineering Department of Collin County, Texas (i.e., the location of the proposed EPIC City development) notified the developer that the plat application package for EPIC City—approval of which is required to commence development—was incomplete.¹¹ According to Texas Governor Greg Abbott, at least “[a] dozen state agencies” have been investigating the proposed EPIC City development as of this time last year.¹²

This Report summarizes and publishes for the first time the results of another Texas state agency investigation: the Texas Workforce Commission (“TWC”). While the TWC wrapped up

⁷ Press Release, Congressman Keith Self, Congressmen Keith Self and Chip Roy Launch Sharia Free America Caucus (Dec. 18, 2025), <https://keithself.house.gov/media/press-releases/congressmen-keith-self-and-chip-roy-launch-sharia-free-america-caucus>.

⁸ See Letter from Harmeet K. Dhillon, Assistant Att’y Gen., Civ. Rights Div., U.S. Dep’t of Just., to Community Capital Partners (Jun. 13, 2025), <https://npr.brightspotcdn.com/06/f5/520b8fd84c9181e2f1e864d8fddd/2025-06-13-letter-from-doj-to-epic.pdf>.

⁹ See Verified Orig. Pet. & Appl. for Temp. Restraining Order, Texas v. Community Capital Partners, LP, et al., No. 416-09562-2025 (416th Dist. Ct., Collin Cty., Tex. Dec. 5, 2025) [hereinafter “Paxton Petition I”].

¹⁰ See Orig. Pet. for Decl. Judg., Appl. for Inj. Relief, & Mot. for Leave to File Quo Warranto, Texas v. Double R Municipal Utility District No. 2A of Hunt & Collin Ctys., et al., No. 493-01042-2026 (493rd Dist. Ct., Collin Cty., Tex. Feb. 16, 2026) [hereinafter “Paxton Petition II”].

¹¹ See Letter from Clarence Daughtery, P.E., Dir. of Engineering, Collin Cty. Engineering Dep’t, to Ibrahim Snoubar, Westwood Pro. Servs. 1, 3 (Jan. 12, 2026), https://www.chrishill.us/documents/20260112_TheMeadow_Letter.pdf. The date on the letter reads January 12, 2025, but this is a typographical error in the letter. Collin County sent the letter to CCP on January 12, 2026.

¹² Greg Abbott (@GregAbbott_TX), X (Mar. 24, 2025, 9:52 PM), https://x.com/GregAbbott_TX/status/1904350532401057897.

its investigation in 2025, the press underreported many key facts about the allegations made against EPIC City, the TWC’s investigation, and the settlement that concluded the investigation. For the first time, we are publishing the *actual* documents of the TWC’s investigation, which the Oversight Project obtained through public records requests. They are available as an appendix to this Report and linked here.¹³

The TWC investigation was a missed opportunity to stop the EPIC City development in its tracks. The complaint that launched the TWC’s investigation levied serious allegations about the EPIC City enterprise’s corporate structure and relationship, original marketing materials, investor notifications, and intentions to establish a Muslim-only community. If the apparently credible allegations hold true, they would amount to multiple violations of federal and state law. Unfortunately, the TWC investigation failed to thoroughly investigate the allegations raised in the complaint. Instead, TWC and EPIC entered into a settlement agreement, referred to as a “Conciliation Agreement,” which closed out the investigation. The Conciliation Agreement is weak, fails to halt the project, makes no mention of EPIC’s legally dubious past practices, and allows for the enterprise’s potentially exclusionary practices to persist under minimal oversight. Had the TWC conducted a more thorough investigation and enacted serious consequences for what apparently amount to egregious violations of state and federal law, the residents of Collin and Hunt Counties would have received a prompt resolution of the issue and the recent fury of litigation to stop the project would not be necessary.

Key Findings

- **Exclusive Marketing and Apparent Sale of Plots to Muslims:** The Oversight Project posed as a potential investor interested in purchasing a share of property in EPIC City. Marketing materials received through that outreach show EPIC City and CCP sold nearly 500 lots in EPIC City, generating approximately \$40 million in capital. Other records show that during the relevant time period, EPIC exclusively marketed the development to Muslims. Thus, it is highly plausible that EPIC raised \$40 million in capital by selling plots of land exclusively to Muslims.
- **The TWC Failed to Thoroughly Investigate Serious Allegations About Unlawful Activity by EPIC City Developers:** The TWC investigation failed to address the most significant allegations contained in the Complaint it received on EPIC City. The TWC received responses to subpoenas that could not possibly be true. It is unclear whether TWC conducted any follow-up to those responses.
- **The Settlement Agreement Between the TWC and EPIC City Developers is Deeply Flawed:** The settlement agreement includes no admission of any wrongdoing by EPIC City developers and forecloses the TWC’s ability to bring any further actions on this matter in the future. It put a far-left law firm in charge of conducting trainings and performing other tasks outlined in the agreement. The settlement imposes only forward-looking reporting and other requirements on the EPIC City developers. This is *after* it raised \$40 million in capital by marketing the property exclusively to Muslims.

¹³ See Appendix A, Texas Workforce Commission, EPIC City Investigation Records, https://static.itsyourgov.org/EPIC_TWC_Return_1.pdf (last modified Apr. 15, 2026) (on file with The Oversight Project) [hereinafter “App. A”].

- **Oversight Project Legal Analysis Identifies Likely Violations of EPIC’s 501(c)(3) Tax Exempt Status:** Assuming the allegations about the structure and relationship between EPIC and the for-profit ERP and CCP are true, the mosque is in apparent violation of the requirements for its federal income tax-exemption under section 501(c)(3) of the Internal Revenue Code.
- **Legal Measures by the Texas Attorney General’s Office Have Successfully Delayed the Progression of Construction:** Texas Attorney General Ken Paxton has filed two lawsuits aimed at stopping the project. The first lawsuit alleges violations of Texas securities laws over how the developer sold shares in EPIC City. The second lawsuit sought to halt construction of the community because the builders allegedly violated Texas environmental laws. On March 19 and March 30, 2026, Attorney General Paxton secured key legal victories that could potentially spell the end for EPIC City.
- **Federal Investigations are Continuing:** The Federal Department of Housing and Urban Development (“HUD”) has announced that it has launched an investigation into EPIC City for potential violations of the Fair Housing Act.

* * *

I. THE CURRENT STATE OF PLAY ON EPIC CITY

Since the turn of 2026, there have been multiple significant updates on the project at the local, state, and federal level. These updates are a positive sign insofar as the project appears to have been at least delayed from breaking ground. But as this report will explain, this project should have been stopped in 2025 had the TWC conducted a thorough investigation and held the EPIC City developers truly accountable.

A. Local Latest

On December 23, 2025, CCP submitted its initial plat application to Collin County to begin construction of EPIC City.¹⁴ CCP supplemented its initial application on January 7, 2026.¹⁵ On January 12, 2026, Collin County wrote back to CCP informing the developer that the county

¹⁴ Letter from Clarence Daughtery to Ibrahim Snoubar, *supra* note 11, at 1. Generally, a plat is a “map of a tract of land, showing the division and location of lots, and the placement of streets, easements, utilities, and other information useful to the developers or owners of the land.” Tad Cleaves, *Platting and Subdivision Q&A*, Texas Municipal League, at 1 (Nov. 2023), <https://www.tml.org/DocumentCenter/View/4124/Platting-and-Subdivision-QA-Website-Final>. Local governments in Texas generally approve plat applications prior to the commencement of development in accordance with Texas law. *See id.* at 3–4.

¹⁵ Letter from Clarence Daughtery to Ibrahim Snoubar, *supra* note 11, at 1.

rejected CCP's plat application because of multiple deficiencies and missing documents.¹⁶ CCP's application lacked necessary information on how the community would receive electric and wastewater utilities and contained other deficiencies.¹⁷ Upon receipt of a rejection of a plat application, the applicant can resubmit the missing documents at any time. At that point, the county will reassess the application. If the application contained the required documents, the county will have 30 days to review and either approve or deny the application. Based on publicly available information at the time of this report, it does not appear that CCP has resubmitted its plat application to Collin County.

On March 10, 2026, Texas Attorney General Ken Paxton wrote to elected officials in Collin County advising them to "reject any relevant plat applications, including the application package submitted on December 23, 2025, for the proposed development called 'The Meadow Phase 1.'"¹⁸ He cited multiple ongoing lawsuits brought by the state of Texas concerning EPIC City as the basis for his request for Collin County officials to reject any applications. We discuss those legal actions at length in this report.

On March 24, 2026 Hunt County elected officials unanimously voted for a resolution that rejected EPIC City's plat application.¹⁹ According to the Hunt County Civil Attorney, Daniel Ray, the county rejected the plat application on "technical, regulatory, and legal deficiencies in the application itself."²⁰ Ray cited at least 13 deficiencies with the EPIC City plat application and added that Hunt County's rejection of the plat application was independent of any action taken by Attorney General Paxton or the controversy surrounding EPIC City.²¹

B. State-Level Latest

Texas Attorney General Ken Paxton has filed two lawsuits aimed at stopping the EPIC City development. We explain both at length in this report. On December 5, 2025, Attorney General Paxton brought the first lawsuit under Texas securities laws, alleging three violations of the Texas Securities Act stemming from EPIC City's alleged failure to register with the relevant

¹⁶ *Id.* at 1, 3–4.

¹⁷ *Id.* at 3–4.

¹⁸ Letter from Ken Paxton, Tex. Att'y Gen., to Chris Hill, Collin Cty. Judge, et al., at 2 (Mar. 10, 2026), https://www.texasattorneygeneral.gov/sites/default/files/images/press/Letter_10.pdf?utm_content=&utm_medium=email&utm_name=&utm_source=govdelivery&utm_term=.

¹⁹ Erin Anderson, *Hunt County Rejects Plans for Controversial EPIC City*, Texas Scorecard (Mar. 24, 2026), <https://texasscorecard.com/local/hunt-county-rejects-plans-for-controversial-epic-city/>.

²⁰ *Id.*

²¹ *Id.*

entities, issues with permitting, and a series of false statements to purchasers of plots in EPIC City.²² This case is ongoing.

Attorney General Paxton brought the second lawsuit against EPIC City on February 16, 2026, under Texas environmental laws.²³ The lawsuit challenges how EPIC City created and governed the Municipal Utility District (“MUD”) that would have been the entity that provided water, sewage, drainage, and road services to areas outside of a city or town’s limits. The lawsuit alleges that the MUD that sought to support EPIC City illegally annexed the land for the development, was not properly constructed under Texas law, and violated other Texas statutes.²⁴ The Collin County Court issued a Temporary Restraining Order on March 19, 2026, followed by a Temporary Injunction on March 30, 2026, barring the would-be EPIC MUD from taking any further substantive action.²⁵ These rulings appear to have halted the construction of EPIC City in its tracks for the time-being.

C. Latest Federal Developments

On February 13, 2026, the Department of Housing and Urban Development, Office of Fair Housing and Equal Opportunity launched an investigation of ERP and CCP for alleged violations of the Fair Housing Act on the basis of religion or national origin discrimination.²⁶ The investigation is ongoing.

The HUD press release noted that it received the investigation from TWC. This is puzzling for several reasons. First, as we explain below, TWC reviewed similar allegations—that the developers of EPIC City were engaging in religious discrimination and other unlawful activities—a year ago. The TWC investigation failed to address these significant issues. Second, the TWC entered into a settlement agreement with the EPIC City developers that failed to address the serious allegations contained in the complaint. Finally, is it unclear why TWC referred the allegations to HUD now, nearly a year after it received the initial allegations. To be clear, the Oversight Project welcomes a federal HUD investigation into this community. But the delays in accountability cannot be ignored.

²² See Paxton Petition I at ¶¶ 53–98.

²³ See Paxton Petition II at ¶¶ 34–47.

²⁴ See *id.*

²⁵ Press Release, Ken Paxton, Att’y Gen. of Tex., Attorney General Ken Paxton Secures TRO and Stops Rogue Municipal Utility District From Acting to Support the East Plano Islamic Center Development (Mar. 19, 2026), <https://www.texasattorneygeneral.gov/news/releases/attorney-general-ken-paxton-secures-tro-and-stops-rogue-municipal-utility-district-acting-support>; Press Release, Ken Paxton, Att’y Gen. of Tex., Attorney General Ken Paxton Secures Temporary Injunction Successfully Stopping a Municipal Utility District Takeover Designed to Illegally Aid the EPIC City Development (Mar. 31, 2026), <https://www.texasattorneygeneral.gov/news/releases/attorney-general-ken-paxton-secures-temporary-injunction-successfully-stopping-municipal-utility>.

²⁶ Press Release, U.S. Dep’t of Hous. & Urban Dev., HUD Launches Fair Housing Investigation into East Plano Islamic Center (EPIC) (Feb. 13, 2026), <https://www.hud.gov/news/hud-no-26-013>.

II. THE TWC COMPLAINT

On April 10, 2025, Edward Serna, Executive Director of the TWC, filed a formal complaint with the TWC Civil Rights Division (“TWC-CRD”) about EPIC City alleging that the proposed development violated multiple federal and state laws.²⁷ The complaint includes alleged violations of Texas fair housing laws, including religious discrimination, deceptive practices, and abuse of nonprofit status. The referral painted a troubling picture of a scheme to create an exclusive Muslim community, marketed as “the epicenter of Islam in America,” while using a convoluted corporate structure to funnel profits from for-profit entities back to a nonprofit mosque, all under the guise of community building.

A. EPIC’s Corporate Structure Potentially Violates Non-Profit and Securities Laws

As the Complaint explains, EPIC is a mosque that has registered non-profit tax-exempt status with the State of Texas and the Internal Revenue Service.²⁸ For purposes of constructing EPIC City, EPIC is purchasing 400 acres of land that it will “assign” to CCP.²⁹ CCP is a for-profit entity that EPIC created to “manage the investment and development of EPIC City.”³⁰ The Complaint outlined how EPIC’s *own marketing materials* lay out the curious arrangement between EPIC and CCP. The records state that EPIC is “the only beneficiary of profits from the project” and the investor FAQs explain further that CCP would “donate portions of the land to EPIC for the Masjid and the private school, and also intends to donate to EPIC one hundred percent (100%) of the net proceeds from the sale of Lots, all to further the objectives of the Masjid.”³¹

The Complaint lays out the corporate structure and relationship between EPIC and CCP. It explains, “CCP is composed of a general partner and limited partners. The general partner, [ERP] has *all* decision-making authority. It consists of a single shareholder—EPIC—and a board of directors comprised of three volunteers.”³² CCP’s investor summaries explain that the limited partners are the investors in plots of land in EPIC City who pay at least \$80,000 to CCP in return for a nearly 0.2% limited partner interest in CCP.³³

In sum, you have a situation where “a non-profit religious organization (EPIC) created a for-profit entity (CCP) that exists to funnel *all of its profits back to the non-profit*. CCP thus

²⁷ See App. A at 1–26.

²⁸ EPIC’s Texas taxpayer identification number is 12006296128 and it is exempt from state franchise tax, sales and use tax, and state portion of hotel occupancy tax. See Tex. Comptroller of Pub. Accts., Exemption Verification Letter: East Plano Islamic Center (Apr. 15, 2026), https://comptroller.texas.gov/taxes/exempt/verification-letter.php?tp_id=12006296128. EPIC’s federal tax identification number is 20-0629612 and it is exempt from federal income tax as a 501(c)(3) non-profit tax-exempt organization “that has been formed exclusively for educational, religious, and social purposes.” *East Plano Islamic Center*, Candid., <https://app.candid.org/profile/6985612/east-plano-islamic-center-20-0629612> (last visited Mar. 19, 2026).

²⁹ App. A at 2, 12.

³⁰ *Id.*

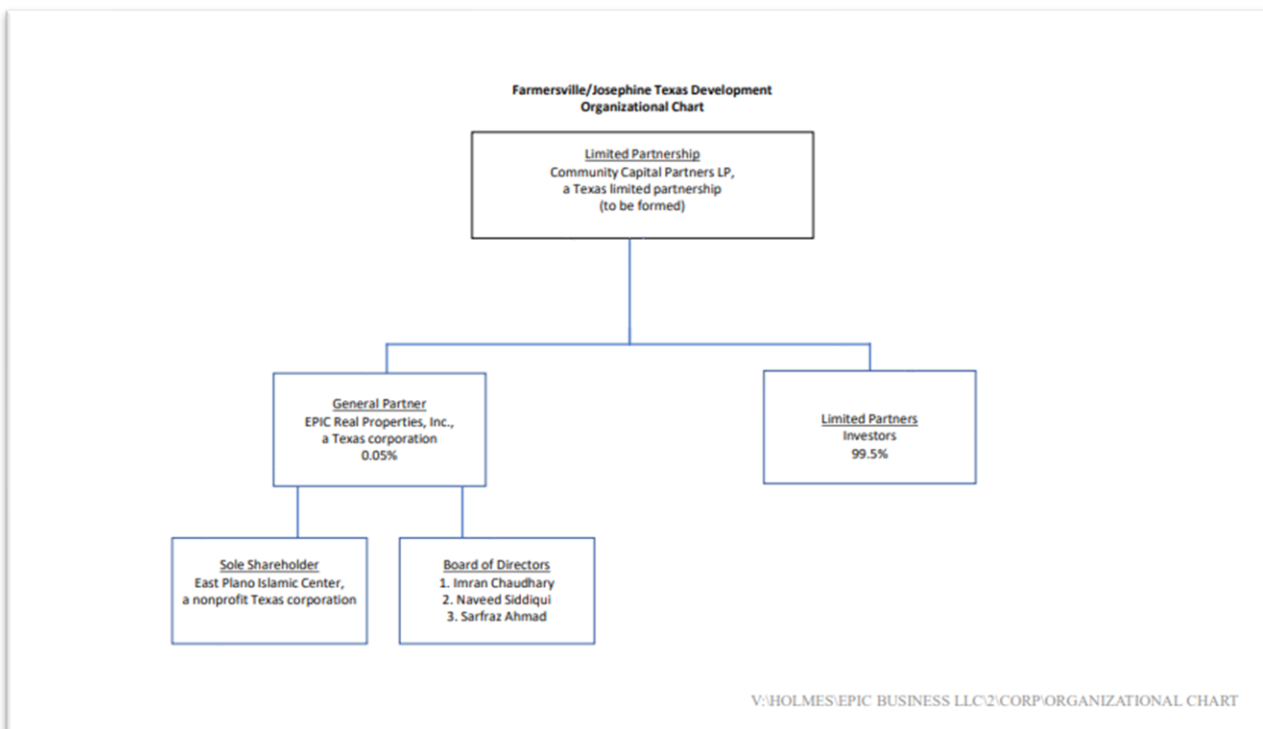
³¹ *Id.* (citation omitted).

³² *Id.* at 3, 13 (emphasis added).

³³ *Id.*

appears to be a pass through for EPIC.”³⁴ In addition, the complaint explains “while CCP is the company managing EPIC City on paper, EPIC appears to be making any and all decisions.”³⁵

Figure 1: Organization Chart of the EPIC–CCP Corporate Structure and Relationship from EPIC City’s Investor Summary



Additional documents not cited in the complaint appear to support this allegation. ERP’s Board of Directors consists of Imran Chaudhary, Naveed Siddiqui, and Sarfraz Ahmad. CCP’s Securities and Exchange Commission (“SEC”) Form D lists these same three individuals as related persons for CCP’s registration with the SEC.³⁶ The filing list all three individuals as Directors in ERP, and as General Partners of CCP.³⁷

The Complaint notes further that in order to live in EPIC City, a person must purchase a “share” in CCP for \$80,000.³⁸ Investors are also required to submit materials to CCP to show they are an “accredited investor” and CCP either approves or denies the application.³⁹ While CCP is

³⁴ *Id.* at 2, 12 (emphasis added).

³⁵ App. A at 3, 13.

³⁶ Community Capital Partners LP, Notice of Exempt Offerings of Securities (Form D) (Jun. 6, 2024).

³⁷ *Id.*

³⁸ App. A at 3, 13.

³⁹ *Id.* (citations omitted). According to marketing materials obtained by the Oversight Project, an “accredited investor” is an individual with a net worth over \$1 million, or an individual with \$200,000 (individually) or \$300,000 (with spouse or partner) annual income in each of the prior two years. Investors are required to have an attorney or accountant submit paperwork attesting that an individual is an accredited investor. *See* The EPIC City

the decision maker on who is an accredited investor, the Complaint underscores that EPIC is the real decision maker on who is able to purchase shares by virtue of their acting as the *de facto* controller of CCP.⁴⁰

Texas Attorney General Ken Paxton has filed a lawsuit alleging EPIC and CCP's corporate structure violates Texas securities laws. We will analyze the lawsuit in greater detail later in this Report.

B. EPIC May be Engaged in Unlawful Religious Discrimination

The Complaint analyzed *original* marketing materials that EPIC and CCP presented to the public. Some of these materials have been scrubbed from the internet or otherwise changed. Nonetheless, the original marketing materials make clear that EPIC and CCP intended for EPIC City to be a Muslim-only community.

The Complaint explains that CCP initially stated that sales of securities would be limited to people CCP (or EPIC since they are indistinguishable entities) “believes will contribute to the overall makeup of the community.”⁴¹ EPIC branded the development on its Facebook page with an image advertising that the community is: “**Designed** for the evolving needs of the **Muslim community**.”⁴²

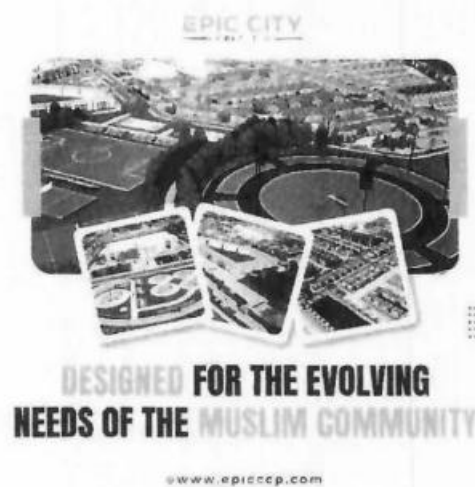
Project, FAQs, https://static.itsyourgov.org/CCP_EPIC_CITY_FAQs.pdf (last modified Apr. 13, 2026) (on file with The Oversight Project).

⁴⁰ App. A at 3, 13.

⁴¹ *Id.* at 4, 14 (citation omitted).

⁴² See Figure 2, *infra*.

Figure 2: EPIC Marketing Materials from its Facebook Page



Another undated PowerPoint marketing presentation further underscores the developer’s intent to create a Muslim-only community.⁴³ The marketing materials include a slide highlighting the makeup of the team and the mission to “safeguard EPIC Masjid and investors. Included in the materials is the phrase that the team has “No personal interest – Only for the Sake of ALLAH.”

Figure 3: Image From Undated Marketing Presentation⁴⁴



EPIC’s publicly available constitution makes clear that membership is open only to Sunni Muslims who subscribe to the “vision, mission and objectives of EPIC” and agree to work under

⁴³ The EPIC City, EPIC 2.0: Welcome to The EPIC CITY, <https://www.scribd.com/document/706530895/Epc-i-City-Community-Info> (last visited Apr. 23, 2026).

⁴⁴ *Id.*

the Constitution of EPIC and Board of Directors.⁴⁵ The Complaint explains that after people raised concerns about how EPIC City appeared to discriminate against non-Muslims, **CCP scrubbed its public website** and changed the advertising language to claim it will be an inclusive community.⁴⁶ Even though the advertising language has been changed, CCP will still require that each prospective buyer be individually assessed “to ensure they align with [its] goals of safety and security.”⁴⁷

The original marketing materials make it clear that the EPIC City developers intended to create a Muslim-only community where residents abided by Sharia law. They only changed the marketing materials after public scrutiny. The Complaint correctly points out that the public outcry about potential unlawful discriminatory housing practices “may be why CCP scrubbed its prior advertising.”⁴⁸ Nonetheless, the Complaint alleges CCP still seeks to “accomplish the same discriminatory goals” through its individual vetting of prospective buyers.⁴⁹

The Complaint explained that the Texas Fair Housing Act has certain exceptions for religious organizations or nonprofits to restrict the sale of housing for people that share the same faith, but those exceptions may not apply to EPIC City for two reasons. First, EPIC’s indistinguishable relationship with CCP “raises questions whether it is really operating as a nonprofit religious organization at all.”⁵⁰ Second, the Complaint explained that the exceptions to the Fair Housing Act applies to the “sale rental or occupancy of dwellings that it owns or operates for other than a commercial purpose.”⁵¹ But CCP is “operating as a for-profit company, requiring would-be homeowners to purchase shares at \$80,000 a piece just for the opportunity to reside in EPIC City. If the response is that CCP is not really engaged for a ‘commercial purpose’ because it is [sic.] passes off all of its profits to the EPIC mosque, then that highlights the possibility that EPIC has abused its charitable status.”⁵²

Nothing in the Settlement agreement that resolved the Complaint addressed EPIC’s potential abuse of its nonprofit status from its arrangement with CCP. This is an issue that is ripe for further investigation by the relevant Texas and Federal authorities.

C. EPIC City May be Subject to Additional Constitutional Constraints

The Complaint explains that EPIC City has many qualities of a “company-owned town” in which a private actor effectively becomes the government in a municipality by virtue of the provisions of services that typically come from the government. Such a finding would open the

⁴⁵ EPIC Const., art. VI, § A (1)–(2), <https://epicmasjid.org/wp-content/uploads/2024/01/EPIC-Constitution-FINAL.pdf> (last visited Mar. 19, 2026).

⁴⁶ App. A at 4, 14.

⁴⁷ *Id.* (citation omitted).

⁴⁸ *Id.* at 5, 15.

⁴⁹ *Id.*

⁵⁰ *Id.*

⁵¹ Tex. Prop. Code § 301.042(a)(1).

⁵² App. A at 5, 15.

municipality to additional constitutional constraints because the private city becomes a *de facto* government actor.

EPIC is designed to become a standalone city, providing schools, commercial and retail, single and multifamily housing, and a Masjid, all with utilities provided by a Municipal Utility District (“MUD”).⁵³ The Complaint notes that it is a municipality directed by EPIC and managed by CCP “to pursue its rallying principle of creating a municipality ‘to meet the evolving needs of the Muslim Community,’” and that EPIC’s Constitution “envisions a community in which ‘[a]ll members and non-members . . . will observe the Islamic Code of Conduct and Ethics in all proceedings and at all times.’”⁵⁴

According to the Complaint, EPIC City “and its shopping district are accessible to and freely used by the public in general and there is nothing to distinguish them from any other town and shopping center except the fact that the title to the property belongs to a private corporation.”⁵⁵ The Complaint rightly notes “a private entity cannot so completely assume the powers of government without also assuming concomitant responsibilities.”⁵⁶

Purchasers of securities in EPIC City cannot freely transfer their shares. As the Complaint explained, “evidence suggests that CCP and EPIC may have imposed a religiously restrictive covenant on the alienation of the land” because CCP and EPIC scrutinize all first-time purchasers of securities and proposed transfers of securities.⁵⁷ The Complaint cites to a February 2024 Q&A with CCP’s President, Imram Chaudhary (which appears to have since been removed from YouTube) responding to the question of “can I transfer my share?” with the following:

“Yes, but only with permission from CCP, and CCP will have the first right to purchase the share. And there will be some time restrictions and *restrictions on to whom the share may be transferred*, meaning your shares cannot be sold right away, and then only to certain approved, accredited investors. This may mean *you may have to hold your investment for years* before selling.”⁵⁸

This statement is telling. The Complaint concluded that these “religiously restrictive covenants may brush up against constitution constraints on religious discrimination” and that “no state agency should provide public funds, services, or benefits that would otherwise appear to approve or enforce any of EPIC City’s discriminatory practices.”⁵⁹

⁵³ *Id.* at 3, 6, 13, 16.

⁵⁴ *Id.* at 6, 16 (citations omitted).

⁵⁵ *Id.* at 7, 17 (citation omitted).

⁵⁶ *Id.*

⁵⁷ *Id.*

⁵⁸ App. A at 7–8, 17–18 (emphasis in original) (citation omitted).

⁵⁹ *Id.* at 8, 18.

D. EPIC City May be Violating Consumer Protection Laws and Investor Disclosure Requirements

The Complaint explains that EPIC’s framework for investors may potentially violate consumer protection laws. The Oversight Project procured the investor summary for EPIC City and found that it still contains the same problematic provisions outlined in the Complaint. In particular, the investor summary explains to investors that “CCP . . . intends to donate to EPIC one hundred percent (100%) of the net proceeds from the sale of Lots, all to further the objectives of the Masjid. As a result . . . CCP does not intend to generate a return of or on capital invested to investors.”⁶⁰

*Figure 4: Provision of EPIC City’s Investor Summary*⁶¹

- CCP intends to donate portions of the Land to EPIC for the Masjid and the private school, and also intends to donate to EPIC one hundred percent (100%) of the net proceeds from the sale of Lots, all to further the objectives of the Masjid. As a result (and because your investment is credited to the purchase price of your Lot), CCP does not intend to generate a return of or on capital invested to investors. However, investors will receive their percentage share of the charitable deductions resulting from CCP’s donations to EPIC, as well as other deductions which may be generated from the development of the Community.

The Complaint laid out why this is problematic, noting “it appears that a non-profit religious organization (EPIC) has partnered with a for-profit entity (CCP) that exists solely to funnel its profits back to the non-profit.”⁶² As of September 2024, CCP’s President informed investors that it had sold 480 lots to more than 350 investors for a total of \$38.4 million.

We want to remind readers that it appears that CCP and EPIC raised these millions of dollars in capital *before* they changed their marketing materials. In other words, it appears that EPIC raised the money from investors through promoting and marketing EPIC City as an exclusive Muslim enclave in Texas. While CCP has insisted as of February 2024 that the entirety of its investors “is private data for CCP only” it is likely that CCP raised tens of millions of dollars from investors through marketing materials that promoted a Muslim-only community.⁶³

The Complaint notes CCP’s investor summary provides little to no detail that would inform investors of their rights, including timelines for benefit returns (e.g. construction). As a result, it “leaves Texans at the mercy of CCP in the event of a legitimate dispute and opens a pathway to defraud potential investors—potentially in violation of both federal and state law.”⁶⁴

⁶⁰ See Figure 4, *infra*.

⁶¹ See Community Capital Partners LP, Investor Summary, https://static.itsyourgov.org/CCP_EPIC_CITY_INVESTOR_SUMMARY.pdf (last modified Apr. 13, 2026) (on file with The Oversight Project).

⁶² App. A at 8, 18.

⁶³ *Id.* at 5, 15 (citation omitted).

⁶⁴ *Id.* at 9, 19 (citations omitted).

E. EPIC City May be Violating Prohibitions on Support to Terrorist Organizations

The Complaint notes that public reporting ties EPIC to the Council on American-Islamic Relations (“CAIR”).⁶⁵ On November 18, 2025, Governor Greg Abbott declared CAIR and the Muslim Brotherhood as foreign terrorist organizations and transnational criminal organizations.⁶⁶ Legislation has been introduced in the Congress to designate CAIR a foreign terrorist organization at the national level.⁶⁷ While this Complaint was filed before Governor Abbott’s proclamation, the Complaint explains that EPIC’s own website has “spotlighted teachings by CAIR’s Executive Director, Nihad Awad, who touts that American Muslims are ‘ready for the next stage,’ and that within the next 15 years the Muslim Community ‘will have an army of 50,000’ who will design the Islamic image, protect the news, run for public office, and become lawmakers—all to advance Sharia Law.”⁶⁸

Texas law enforcement and property regulators should review EPIC City’s plans in light of Governor Abbot’s proclamation.

III. THE TWC INVESTIGATION MISSED THE MARK

Based on the document returns reviewed and analyzed by The Oversight Project, the TWC conducted a multi-month investigation into the allegations contained in the Complaint. The investigation appears deficient in multiple ways.

A. EPIC, ERP, and CCP’s Responses to the TWC Subpoena Do Not Make Sense

It appears that the TWC issued a subpoena for documents on May 21, 2025. The subpoena itself is absent from the production, but we did receive a written response dated June 25, 2025 from CCP, EPIC, and ERP’s attorneys, the law firm Settle Pou responding to the subpoena.⁶⁹

The subpoena appears to have obtained 22 requests. While the letter from Settle Pou purports to provide responses on behalf of EPIC, ERP, and CCP, the narrative responses contain information on the records that are in CCP’s possession. The subpoena return makes no mention of the responsive material possessed by EPIC or ERP. Some of the responses use the royal “we” when responding to certain records demands (*e.g.* Item 3 (“we have no site selection analysis”) and Item 6 (“we have no meeting minutes”)) while others specifically denote that CCP produced or lacked responsive records to a particular item in the subpoena.

The overall lack of specificity in the subpoena return is puzzling. Without receiving the actual subpoena in the document returns from our records request, it is challenging to determine whether the response to the subpoena is complete or whether individual items in the subpoena

⁶⁵ *Id.* (citations omitted).

⁶⁶ Proclamation by the Governor of the State of Texas (Nov. 18, 2025), https://gov.texas.gov/uploads/files/press/PR_OC_declaring_Muslim_Brotherhood_and_CAIR_Transnational_Criminal_Organizations_IMAGE_11-18-2025.pdf.

⁶⁷ Designate CAIR as a Terrorist Organization Act, H.R. 4097, 119th Cong. (2025).

⁶⁸ App. A at 9, 19 (citation omitted).

⁶⁹ *Id.* at 27–29.

were directed at individual entities involved with the EPIC City project. However, the joint response on behalf of the purportedly separate entities sheds additional light on the incestuous corporate structure of the non- and for-profit entities and further informs the Oversight Project's analysis on the tax compliance of the project. Even though we lack the full documentation of the subpoena and return, we are, however, able to assess other troubling issues with the subpoena return.

The entities (using the royal "we") conveniently possessed no documents in response to subpoenas for feasibility studies, market analysis, or financial projections (Item 2), site selection analysis (Item 3), or meeting minutes (Item 6).⁷⁰ The subpoena return noted that CCP specifically lacked archived version of their website (Item 8), "specific marketing plans or strategies" (Item 9), written online advertisements beyond "flyers" responsive to another item in the subpoena (Item 11), scripts for salespeople or representatives (Item 13), communications logs (Item 17), sales contracts (Item 18), "internal memos or directives to any staff regarding sales practices, applicant screening or community standards (Item 19), or training materials (Item 20).⁷¹ The subpoena return noted that "no Homeowners Association documents exist" (Item 21), and that "no deed restrictions or covenants are in place at this time" (Item 22).⁷²

For an entity that had raised \$40 million as of the nine months prior to these submissions, EPIC and CCP had a stunning lack of documents. CCP's response to subpoena Items 9, 10, and 11 particularly questionable. They read in full:

Item #9: Because EPIC City is still in the conceptual planning stages, CCP has no specific written marketing plans or strategies. CCP recently retained an experienced civil rights firm to guide it as the development moves forward. **CCP welcomes investors without regard to race, color, religion, national origin, sex, familial status or disability.** Civil rights counsel will advise CCP on compliance with the affirmative marketing and other requirements for the Fair Housing Act. CCP pledges to adopt and enforce appropriate policies to reinforce that message.

Item #10: We have uploaded copies of all flyers used by CCP

Item #11: CCP did not use any written online advertisements other than the flyers included in response to Item #10. Investors may have heard about the investment in CCP either through CCP's website or through the following videos on YouTube [three links to YouTube videos follow].⁷³

These responses blink reality. An Oversight Project undercover inquired with CCP about purchasing a lot in the community. Marketing materials obtained through that outreach showed that when CCP provided these responses, it had **already** sold 500 plots in the development to raise

⁷⁰ *Id.* at 27.

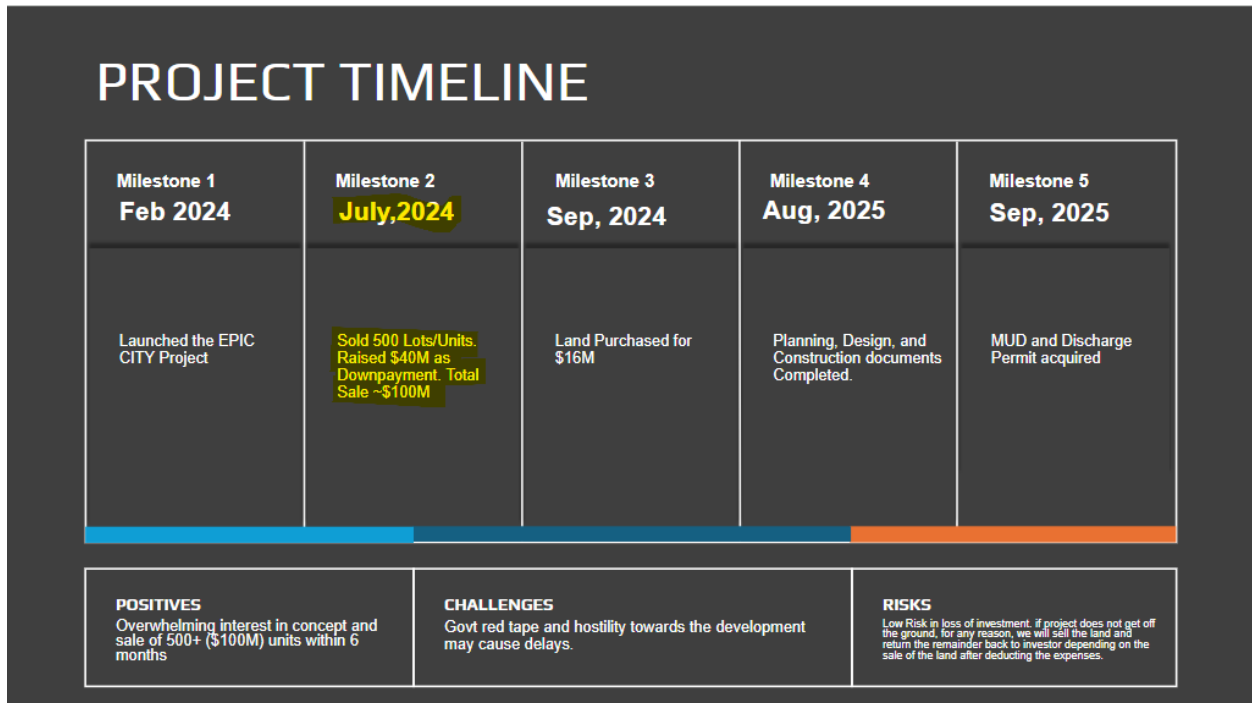
⁷¹ *Id.* at 27–29.

⁷² *Id.* at 29.

⁷³ *Id.* at 27–28 (emphasis added). Note that the records of TWC's investigation into EPIC City omit the documents referenced in the Item #10 response to the subpoena.

\$40 million in capital as of July 2024.⁷⁴ These marketing materials further indicate that as of July 2025, EPIC had sold 500 lots for Phase I of the project and that only 50 lots remained.⁷⁵ In total, EPIC City’s developers planned to build approximately 1,000 single and multi-family homes.⁷⁶

Figure 5: Marketing Materials Illustrating 500 Lots Sold & \$40 Million Raised as of July 2024



⁷⁴ See The EPIC City, Welcome to The EPIC City, https://static.itsyourgov.org/EPIC_CITY_PPT.pdf (last modified Apr. 13, 2026) (on file with The Oversight Project).

⁷⁵ See Figure 5, *infra*.

⁷⁶ Caroline Love, *Proposed Muslim development in Texas brings inquiries by DOJ and state officials*, NPR (May 22, 2025), <https://www.npr.org/2025/05/22/g-s1-68560/proposed-muslim-development-in-texas-brings-inquiries-by-doj-and-state-officials>.

Figure 6: July 2025 Marketing Materials for EPIC City⁷⁷

WELCOME TO The EPIC City

INVEST WITH CONFIDENCE

Dr. Yasir Qadhi

This is Dr. Yasir Qadhi, head of vision and strategy for the EPIC City development. Imagine, living in a community where all of the community amenities you were looking for were nearby, perhaps even within easy walking distance. That is exactly what Epic City plans to offer.

It will be a master planned, multi-generational community open to all, with community centers, schools for children, senior assisted living for elders, swimming pools, track and fields, hospitals, retail, a mosque, and a space allocated for other faiths to build gathering places or houses of worship. Log on to the website on your screen now for further details.

402 Acres
in the heart of fast growing area in DFW

1 Mile
from Community ISD (Schools)

Prominent Features

- ✔ Single Family Homes
- ✔ Town Homes
- ✔ Apartments
- ✔ Senior Living
- ✔ Mosque
- ✔ Private School
- ✔ Hospital/ER
- ✔ Education Centers
- ✔ Commercial Areas
- ✔ Parks
- ✔ Gyms
- ✔ Sports Fields
- ✔ Tennis Court
- ✔ Spaces for other Faiths

Scan For Location

only 50 Lots Available!

Now Selling Phase - I
500 Lots Sold
Starting Price **102k Per Lot**

Master planned, multi-generational community open to all

The developers, whether it be EPIC, ERP, or CCP obviously conducted *some* marketing to sell the plots and raise the capital. The subpoena return notes that “CCP has no specific written marketing plans or strategies.” But what about EPIC or ERP? They received a subpoena from TWC, and the Settle Pou response is sent also on their behalf. Indeed, the Complaint itself provided significant evidence indicating the community was marketed exclusively to Muslims on the Internet and those postings appear to have been scrubbed after public scrutiny arose.⁷⁸ Moreover, it appears that the videos in the links provided in response to Item #11 have been removed from EPIC’s YouTube page. So, EPIC—a recipient of the subpoena—presumably performed some of the marketing functions and possess records responsive to the subpoena

The subpoena’s response on behalf of CCP may very well be accurate for CCP. But there is no record in the public records return indicating that the TWC received any records or conducted any analysis of the marketing activities by EPIC or ERP. There is no evidence of any follow-up by TWC of this obviously insufficient response to the subpoena on this point on behalf of *all*

⁷⁷ See The EPIC City, Welcome to The EPIC City, *supra* note 74.

⁷⁸ App. A at 5, 15.

recipients of the subpoena. The TWC’s apparent failure to follow up is a glaring hole in TWC’s investigation.

Nonetheless, CCP’s and EPIC’s affirmations that *moving forward* they would sell plots without regard to religious affiliation ring hollow. Put simply, by the time the developers had responded to the subpoena the damage had been done. They sold almost all of the plots for Phase I of the product and bankrolled \$40 million in the process. They did so by marketing the community exclusively to Muslims. Nothing in the documents indicates the TWC investigation and subsequent conciliation agreement addressed this obvious issue.

B. The Conciliation Agreement to Settle the Charges Fails to Address Key Issues

On September 16, 2025, TWC, CCP, and ERP entered into a conciliation agreement.⁷⁹ EPIC, the non-profit mosque that stands to derive all of the financial benefit from the development of EPIC City, is not a party to the conciliation agreement. Texas law defines conciliation and conciliation agreements as an informal negotiation and subsequent written agreement to resolve issues raised by a complaint.⁸⁰ The agreement contains sixteen (16) provisions and resolves the TWC’s investigation of the Complaint. While the agreement appears robust on the surface, it is largely toothless and failed to address multiple significant issues identified in the Complaint. We analyze a number of problematic provisions below.

1. Provisions 1 and 2: Mandatory Training and Review of Marketing Materials

Provision 1 of the conciliation agreement requires ERP and CCP, “including all principles, officers, employees, agents, and contractors involved in the marketing, sales, leasing, and management of housing at the Property” to “participate in and complete a comprehensive fair housing training program.”⁸¹ The training program will cover the Federal and Texas Fair Housing Act, best practices for marketing and advertising, how to avoid discriminatory steering and pre-screening practices, and best practices on how to ensure equal housing opportunity.⁸² The training will be conducted by Michael Allen, of the law firm Relman Colfax or by the International Development and Planning, LLC.

Provision 2 requires EPIC and CCP to have Allen or other legal counsel review and revise all “marketing and sales materials” including website content, brochures, advertisements, social media posts, and ant pre-sale questionnaires or application forms to ensure that they are “inclusive, non-discriminatory, and do not convey any preference or limitation based on religion, national

⁷⁹ App. A at 73–79. Recall, under the corporate structure of the entities developing EPIC City, ERP’s sole shareholder is the EPIC mosque and under the investor summary for the property, all proceeds from the sale of shares in EPIC City are funneled back to the EPIC Mosque. See Figure 4, *supra*.

⁸⁰ Tex. Prop. Code § 301.003(4)-(5).

⁸¹ App. A at 74.

⁸² *Id.*

origin, and all other protected classes.”⁸³ The reviewed materials must then be forwarded to TWC for their review and approval.

Relman Colfax is a left-wing law firm. It markets itself as a “national civil rights law firm” whose litigation practice focuses on “combating discrimination and obtaining equity” in areas of housing, lending, public accommodations, police accountability, and more.⁸⁴ The firm also “provides legal counsel to progressive financial institutions” and other clients “wishing to be industry leaders in civil rights compliance.”⁸⁵ Its practice areas include, *inter alia*, conducting “[r]acial [e]quity [a]udits and [i]ndependent [i]nvestigations.”⁸⁶ The firm has represented an eleven-year-old transgender girl in a lawsuit against the Mukwonago Area School District over the school’s refusal to allow the biological male to use the girl’s restroom at school.⁸⁷ The monitor, Allen, has been with the firm since 2006 and hits practice focuses on the Fair Housing Act, the American with Disabilities Act, and other civil rights statutes “with an emphasis on dismantling barriers to integration on the basis of disability and of race.” He has advocated for left-wing failed “housing first” homelessness policies⁸⁸ and has spoken at the National Fair Housing LGBTQ+ forum.⁸⁹

Disagreement over the EPIC City development has predictability fallen on ideological lines, with conservatives generally opposing the project and liberals generally supporting the project. Why the Texas Workforce Commission—an entity whose three commissioners are appointed by Governor Abbott—would hire a law firm as partisan as Relman Colfax to potentially oversee this agreement and conduct trainings remains a mystery.

2. Provisions 3 and 4: Implementation of Fair Housing Policies

Provision 3 required ERP and CCP to “develop and implement comprehensive written fair housing policies and procedures” and submit them to TWC for review and approval.⁹⁰ The Provision includes criteria for what the policies must include and center on non-discrimination. Provision 4 requires ERP and CCP to “**cease and desist** from using any applicant assessment criteria that is not objective, uniformly applied, and directly related to business necessity, particularly the use of any criteria as a pretext for religious and national origin discrimination.”⁹¹ This Provision goes further, instructing that “[a]ny current practice of assessing prospective buyers for alignment with ‘goals of safety and security’ shall be replaced with a clearly defined, written

⁸³ *Id.*

⁸⁴ *What We Do*, Relman Colfax PLLC, <https://www.relmanlaw.com/what> (last visited Mar. 19, 2026).

⁸⁵ *Id.*

⁸⁶ *Practice Areas*, Relman Colfax PLLC, <https://www.relmanlaw.com/practices> (last visited Mar. 19, 2026).

⁸⁷ *Case Profiles: Jane Doe #1 v. Mukwonago Area School District*, Relman Colfax PLLC, <https://www.relmanlaw.com/cases-jane-doe-transgender-mukwanonago-wi-education> (last visited Mar. 19, 2026).

⁸⁸ Michael Allen, *The Quiet Revolution in Homeless Policy*, Street Sense Media (Feb. 22, 2016), <https://streetsensemedia.org/article/the-quiet-revolution-in-homeless-policy/>.

⁸⁹ *Michael Allen*, Relman Colfax PLLC, <https://www.relmanlaw.com/team-michael-allen> (last visited Mar. 19, 2026).

⁹⁰ App. A at 75.

⁹¹ *Id.*

set of objectives, non-discriminatory criteria that are consistently applied to all applicants.”⁹² ERP and CCP were required to submit the criteria to TWC within 30 days of the agreement.

Taken together, these provisions amount to the TWC patching the hole of the Titanic with duct tape. It is immaterial, irrelevant, and inadequate that ERP and CCP would need to develop policies that show they will be compliant with fair housing laws in the future. With over 500 lots sold and \$40 million raised by the time this agreement was reached, the damage had already been done. ERP and CCP have amassed a massive war chest of funds by which to operate. You can be really effective in taking on the government or other private actors with that amount of money. In addition, since the developers had already sold the lots based on its exclusive advertising to Muslims it is logical to assume that Muslims purchased all of the lots in the community. It is highly implausible that a non-Muslim would seek to voluntarily move into this community, where the Mosque would be the center of the community, knowing they would be among the only non-Muslims. It just doesn’t make sense.

Provision 4 also contains an implicit admission that goes unaddressed and unpunished. By forcing ERP and CCP to “cease and desist” from using application assessment criteria that puts the thumb on the scale for one religion over the other, it heavily implies that ERP and CCP engaged in this conduct before. You cannot “cease and desist” performing an activity you were never performing in the first place. This agreement contains zero accountability or punishment for past practices.

3. Provisions 5 and 6: Five-Year Monitoring Period and Ongoing Reviews

Provision 5 imposes a five-year reporting requirement on ERP and CCP to the TWC.⁹³ The reports must include annual reports detailing all marketing and sales activities, copies of all executed purchase agreements, reports of any fair housing related complaints, a sworn affidavit confirming compliance with the agreement the preceding quarter, records retention for 10 years, and other provisions.⁹⁴

Provision 6 gives TWC the ability to review compliance with the agreement through property inspections, witness examination, and document reviews.⁹⁵ It holds further that if TWC determines that it has “reasonable cause to believe” that the agreement has been breached, it may refer the matter to the Texas Attorney General with a recommendation of filing a civil action to enforce the agreement.⁹⁶

These provisions suffer the same defects as Provisions 3 and 4. They are all forward-looking and completely ignore the prior activities of ERP and CCP. In addition, there are no up-front penalties for alleged violations. TWC punts that responsibility to the Attorney General who

⁹² *Id.*

⁹³ *Id.* at 75–76.

⁹⁴ *Id.* at 76.

⁹⁵ *Id.*

⁹⁶ App. A at 76.

would be forced to file a time and resource intensive lawsuit to force compliance with the agreement.

4. Provisions 7 and 8: ERP and CCP Admit Nothing and Investigation is Closed

Provision 7 states that the agreement “does not constitute an admission of any wrongdoing or liability of any kind by [ERP and CCP], including but not limited to violations of the [Federal or Texas Fair Housing Act.]”⁹⁷ Provision 8 closes the investigation into the Complaint, but allows TWC or the federal Department of Housing and Urban Development to take further action “if there is evidence to support apparent violations of other civil rights authorities that apply to federally assisted programs.”⁹⁸ These provisions amount to nothing more than a “get out of jail free” card.

5. Provisions 11, 12 and 13: Closing this Matter Out Completely

Provisions 11 and 12 include waivers by TWC, ERP, and CCP, of any rights to sue either party for issues arising out of the subject matter of the investigation. This waiver applies to lawsuits that “could have been filed in any action or suit arising from said subject matter.”⁹⁹ Provision 11 specifically states that the complainant expressly agrees that the agreement “will resolve all matters related to this complaint” and agrees to “dismiss any other matters related to this complaint that may not be pending with this office.”¹⁰⁰ Provision 13 requires the complainant to request that HUD close its case file from the complaint. These provisions further codify the “get out of jail free nature of the agreement and cements that TWC will be unable to review or seek accountability for backward-looking behavior.

In sum, this agreement utterly fails to look backwards *at all*. The records we received indicate zero review of EPIC’s marketing practices that allowed it to raise over \$38 million, or the suspicious relationship between the non-profit EPIC and for-profit ERP and CCP.

IV. AG PAXTON’S LEGAL CRUSADE: TEXAS LAWSUITS TO STOP DEVELOPMENT OF EPIC CITY

Texas Attorney General Ken Paxton has filed two lawsuits to stop the EPIC City Development. We analyze both below.

A. Securities Lawsuit

On March 25, 2025, Attorney General Paxton announced in investigation into EPIC City.¹⁰¹ As part of that investigation, Attorney General Paxton’s office sent CCP a Civil

⁹⁷ *Id.*

⁹⁸ *Id.*

⁹⁹ *Id.* at 77.

¹⁰⁰ *Id.*

¹⁰¹ Press Release, Ken Paxton, Att’y Gen. of Tex., Attorney General Ken Paxton Issues CID as Part of an Ongoing Investigation into Real Estate Development Tied to East Plano Islamic Center (Mar. 25, 2025), <https://www.texasattorneygeneral.gov/news/releases/attorney-general-ken-paxton-issues-cid-part-ongoing-investigation-real-estate-development-tied-east>.

Investigative Demand to “acquirement material relevant to an investigation regarding potential violations of Texas consumer protection laws.”¹⁰² On April 14, 2025, Attorney General Paxton announced he had expanded the investigation to include records requests to local cities in Texas that may have worked with CCP’s President, Yasir Qadhi.¹⁰³ On October 14, 2025, Attorney General Paxton’s office announced it had uncovered evidence that EPIC and CCP “violated federal and state securities laws and regulations.”¹⁰⁴ The same day, Attorney General Paxton sent a letter to the Texas State Securities Board requesting, in accordance with Texas law, a referral to bring a Texas Securities Act (“TSA”) enforcement lawsuit against CCP and EPIC.¹⁰⁵ Attorney General Paxton brought the suit on behalf of Texas against Defendants EPIC, CCP, Chaudhary, Siddiqui, and Ahmad on December 5, 2025.¹⁰⁶

The lawsuit alleged that the defendants “devised a scheme” to sell units in the community in a manner that violated state securities laws.¹⁰⁷ It highlighted errors in CCP’s Investor summary¹⁰⁸ and with the Securities and Exchange Commission Form D.¹⁰⁹

The lawsuit alleges that the videos and marketing materials EPIC produced for the community, “give the clear impression that EPIC City is a community targeted at and reserved for those of the Muslim faith.”¹¹⁰ The lawsuit discusses videos and marketing materials that EPIC have since removed from the internet advertising EPIC City as “a project that’s going to change ... the Dawah scene for the Muslim community in the U.S.”¹¹¹ In other video, an Imam said that EPIC City will be “exponentially beneficial ... to the believers ... a greater sign that [the Muslim] community has arrived” and that EPIC City will serve as the “epicenter of Islam in North America.”¹¹² A May 26, 2024 screenshot of CCP’s website, which has since been changed, stated that EPIC City was “committed to building a vibrant and inclusive community that serves the

¹⁰² *Id.*

¹⁰³ Press Release, Ken Paxton, Att’y Gen. of Tex., Attorney General Ken Paxton Expands Investigation into EPIC City by Demanding Documents from Local Cities (Apr. 14, 2025), <https://www.texasattorneygeneral.gov/news/releases/attorney-general-ken-paxton-expands-investigation-epic-city-demanding-documents-local-cities>.

¹⁰⁴ Press Release, Ken Paxton, Att’y Gen. of Tex., Attorney General Paxton Uncovers Illegal Activities by EPIC City Developers and Requests Referral from State Securities Board to File a Lawsuit (Oct. 14, 2025), <https://www.texasattorneygeneral.gov/news/releases/attorney-general-paxton-uncovers-illegal-activities-epic-city-developers-and-requests-referral-state>.

¹⁰⁵ *Id.*; Letter from Ken Paxton, Att’y Gen. of Tex., to E. Walley Kinney, Chairman, Tex. State Secs. Bd. & Travis J. Iles, Secs. Comm’r, Tex. State Secs. Bd. (Oct 14, 2025), https://www.texasattorneygeneral.gov/sites/default/files/images/press/Letter_8.pdf (quoting Tex. Gov’t Code § 4007.001(a), (b)).

¹⁰⁶ Press Release, Ken Paxton, Att’y Gen. of Tex., Attorney General Ken Paxton Sues East Plano Islamic Center to Stop Its Illegal Land Development Scheme (Dec. 5, 2025), <https://www.texasattorneygeneral.gov/news/releases/attorney-general-ken-paxton-sues-east-plano-islamic-center-stop-its-illegal-land-development-scheme>.

¹⁰⁷ Paxton Petition I at ¶¶ 11-14.

¹⁰⁸ *Id.* at ¶ 14.

¹⁰⁹ *Id.* at ¶¶ 23, 29, 43.

¹¹⁰ *Id.* at ¶ 22.

¹¹¹ *Id.* at ¶ 20.

¹¹² *Id.*

evolving needs of the Muslim community.”¹¹³ The lawsuit alleges that the language was still active on EPIC City’s homepage until at least February 14, 2025, “long after the offering was announced and after hundreds of subscription agreements had become effective.”¹¹⁴

The lawsuit alleges three violations of the TSA. Count 1 alleges violations of dealer registration requirements under the TSA because, *inter alia*, CCP never registered with the Texas Securities Commissioner as required by the TSA.¹¹⁵ Count 2 alleges violations the TSA’s provisions governing issuance permits and offer filing requirements. CCP allegedly failed to obtain the proper permits from the Texas Securities Board and comply with rules governing solicitations to raise capital.¹¹⁶

Count 3 alleges fraudulent conduct relating to a security. This count centers on misrepresentations as to the location of EPIC City and CCP President Imran Chaudhary’s compensation. With respect to the location of the development, the lawsuit alleges that CCP represented to potential investors that EPIC City is “nestled in the heart of Josephine, Texas” and that claim was “false and misleading, because EPIC City is not in the city limits, the extra-territorial jurisdiction, or utility district of Josephine, Texas.”¹¹⁷ The lawsuit alleged further, “this misrepresentation would lead any reasonable investor to expect that future residents of EPIC City would have access to the municipal resources of Josephine, Texas.”¹¹⁸ The second part of Count 3 centers on the compensation of CCP President Imram Chaudhary. The lawsuit alleges Chaudhary had represented to investors on multiple occasions that he would not receive compensation for the project, but in reality, had entered into a contract with CCP through his company that paid him an annual salary of \$360,000.¹¹⁹

The lawsuit requested the judge hearing the case issue a temporary restraining order (TRO) and permanent injunctions to stop securities sales, dealer activity, fraud, and misleading offers, appoint a receiver for CCP and ERP to protect assets, the disgorgement of ill-gotten gains, and civil penalties of up to \$20,000 per violation.

This case remains ongoing.

¹¹³ Paxton Petition I at ¶ 21.

¹¹⁴ *Id.*

¹¹⁵ *Id.* at ¶¶ 57-60.

¹¹⁶ *Id.* at ¶¶ 61-71.

¹¹⁷ *Id.* at ¶ 77.

¹¹⁸ *Id.* at ¶ 79.

¹¹⁹ Paxton Petition I at ¶¶ 83-98.

B. Lawsuit to Stop the EPIC City MUD

On February 16, 2026, Attorney General Paxton filed a second lawsuit against the entities associated with EPIC City.¹²⁰ This lawsuit alleges violations of Texas law by the Municipal Utility District, or MUD, that would facilitate construction of EPIC City.

Entities seeking to build on or otherwise develop land in unincorporated places Texas typically need to establish a MUD. MUDs provide water, sewage, drainage, and road services to areas outside of a city or town’s limits. Under Texas law, MUDs are subject to supervision by the Texas Commission on Environmental Quality (“TCEQ”), which holds specific authority to “inquire into qualifications of the officers and directors of any district or authority.”¹²¹ To serve as a director of MUD, the individual must be at least 18 years old, a citizen and resident of Texas, and either own land subject to taxation within the district or be a qualified voter within the district.¹²²

Since EPIC City was set to be built on unincorporated land outside of Josaphine, Texas, the developers would need to establish a MUD to provide essential services. The February 2026 lawsuit alleges that the EPIC City Developers unlawfully annexed land for EPIC City under a pre-existing MUD on an adjacent piece of land that had laid dormant for years.¹²³ In particular, the Attorney General’s Office alleged that the MUD unlawfully replaced its Board of Directors, held a meeting that should be open to the public in a field on the side of the road, and failed to appropriately respond to inquiries from the TCEQ, which oversees Texas MUDs.¹²⁴

The lawsuit raised three causes of action. First, it alleged the annexation of land by the MUD to include the proposed boundaries of EPIC City was invalid. The Attorney General alleges that the replacement of the MUD’s Board of Directors was unlawful because the new board members lacked the qualifications to serve as directors of this MUD and potentially had conflicts of interest that would bar their participation as MUD board members under Texas law.¹²⁵ Second, the lawsuit requested injunctive relief prohibiting the MUD from taking any action in light of the legal deficiencies with the appointment of its board of directors.¹²⁶ Third, the lawsuit requested injunctive relief to allow the TCEQ to perform oversight of the MUD in light of the unlawfully appointed board and the MUD’s failure to comply with TCEQ oversight inquiries.¹²⁷

¹²⁰ Press Release, Ken Paxton, Att’y Gen. of Tex., Attorney General Ken Paxton Sues Municipal Utility District and Board for Their Unlawful Actions Supporting East Plano Islamic Center’s Illegal Development (Feb. 16, 2026), <https://www.texasattorneygeneral.gov/news/releases/attorney-general-ken-paxton-sues-municipal-utility-district-and-board-their-unlawful-actions>.

¹²¹ Tex. Water Code § 12.081(a)(1).

¹²² *Id.* § 54.102.

¹²³ *See* Paxton Petition II at ¶¶ 12–33.

¹²⁴ *Id.*

¹²⁵ *Id.* at ¶¶ 35–38.

¹²⁶ *Id.* at ¶¶ 39–41.

¹²⁷ *Id.* at ¶¶ 42–47.

The state requested an injunction that: (1) required the MUD to “respond to any demand for information issued by the TCEQ within the time allotted by each demand,” and (2) “prohibits the MUD and its new board “from taking any action on behalf of [the EPIC City MUD], including, but not limited to, the annexation of lands and issuance of bonds.”¹²⁸

On March 19, 2026, a Collin County Court issued a temporary restraining order (“TRO”) against the EPIC City MUD.¹²⁹ The TRO stopped the EPIC City MUD from taking any substantive action at a meeting scheduled for March 20, 2026, prevented the MUD’s board of directors from directing the activities of the MUD, or taking any other actions beyond responding to the Attorney General’s lawsuit.¹³⁰ In the press release announcing the TRO, Attorney General Paxton stated that his “office will continue to work tirelessly to stop the illegal EPIC City scheme, and anyone who has broken the law will be held accountable.”¹³¹

On March 30, 2026, the Collin County Court issued a consecutive order granting Texas’ application for a temporary injunction (“TI”) against the EPIC City MUD.¹³² Importantly, the Court noted in its order that “the Defendants have *admitted* the current [MUD] board is *not properly qualified* and/or *appointed*,” and therefore “the Court finds the same.”¹³³ The TI extends the TRO’s prospective restraints on the EPIC City MUD by ordering: (1) the unqualified directors to cease from acting as board members of the EPIC City MUD; (2) the EPIC City MUD to cease all operations and activities until legally qualified directors are appointed by TCEQ in accordance with Texas law; and (3) that nearly all actions taken by the unqualified directors on or after September 12, 2025 shall be treated as null and void.¹³⁴ The order specifies that these restraints remain effective “pending trial on the merits on November 16, 2026.”¹³⁵

In the aftermath of the TI order, Attorney General Paxton declared that his “office has proven that these radicals were unlawfully appointed to the board of [the EPIC City] MUD and that their actions to advance the EPIC City development were illegal and void,” and further

¹²⁸ *Id.* at ¶ 50.

¹²⁹ Temp. Restraining Order, Texas v. Double R Municipal Utility District No. 2A of Hunt & Collin Ctys., et al., No. 493-01042-2026 (493rd Dist. Ct., Collin Cty., Tex. Mar. 19, 2026). A TRO is a short-term, emergency order from a judge to prevent immediate, irreparable harm from occurring.

¹³⁰ *Id.* at 4–5.

¹³¹ Press Release, Ken Paxton, Att’y Gen. of Tex., Attorney General Ken Paxton Secures TRO and Stops Rogue Municipal Utility District From Acting to Support the East Plano Islamic Center Development (Mar. 19, 2026), <https://www.texasattorneygeneral.gov/news/releases/attorney-general-ken-paxton-secures-tro-and-stops-rogue-municipal-utility-district-acting-support>.

¹³² Temp. Inj. Order, Texas v. Double R Municipal Utility District No. 2A of Hunt & Collin Ctys., et al., No. 493-01042-2026 (493rd Dist. Ct., Collin Cty., Tex. Mar. 30, 2026).

¹³³ *Id.* at 1 (emphasis added).

¹³⁴ *Id.* at 3–4.

¹³⁵ *Id.* at 2.

promised “to expose and stop anyone who attempts to exploit our governmental entities or Texas law to advance unlawful or dangerous agendas.”¹³⁶

These key legal victories appear to have stopped any development of EPIC City in its tracks.

* * *

V. OVERSIGHT PROJECT ANALYSIS: POTENTIAL GROUNDS FOR REVOCATION OF EPIC’S 501(c)(3) TAX-EXEMPT STATUS¹³⁷

The Internal Revenue Code (“IRC”) provides, in relevant part, that an entity “organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, . . . no part of the net earnings of which inures to the benefit of any private shareholder or individual, no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation . . ., and which does not participate in, or intervene in . . . any political campaign on behalf of (or in opposition to) any candidate for public office” is entitled to federal income tax exemption.¹³⁸

While not construed to mean “solely” or “absolutely without exception,” the term “exclusively” imposes a “definite limit” on the permissible purposes of a tax-exempt eligible entity.¹³⁹ The requirement that an entity “must be devoted to [exempt] purposes exclusively” to qualify for the 501(c)(3) exemption “means that the presence of a single [nonexempt] purpose, if substantial in nature, will destroy the exemption regardless of the number or importance of truly [exempt] purposes.”¹⁴⁰ The term “exclusively” is thus properly interpreted as “primarily.”¹⁴¹ There are two tests utilized to apply the exclusivity limitation: the “organizational test,” requiring that an entity be *organized* exclusively for one or more exempt purposes; and the “operational test,” requiring that an entity be *operated* exclusively for one or more exempt purposes.¹⁴² An entity must satisfy both tests in order to warrant 501(c)(3) tax-exempt status.

Moreover, the courts and the Internal Revenue Service (“IRS”) have “long recognized that the statutory requirement of being ‘organized and operated exclusively’” for one or more of the

¹³⁶ Press Release, Ken Paxton, Att’y Gen. of Tex., Attorney General Ken Paxton Secures Temporary Injunction Successfully Stopping a Municipal Utility District Takeover Designed to Illegally Aid the EPIC City Development (Mar. 31, 2026), <https://www.texasattorneygeneral.gov/news/releases/attorney-general-ken-paxton-secures-temporary-injunction-successfully-stopping-municipal-utility>.

¹³⁷ Unless otherwise noted, all facts provided herein are drawn from this Report, *supra*. Any fact drawn from allegations set forth in the TWC Executive Director’s March 2, 2025 Complaint filed with the TWC-CRD or the State of Texas’ December 5, 2025 Verified Original Petition filed in Texas v. Community Capital Partners, LP, et al. is assumed to be true for purposes of conducting this analysis. See App. A at 1–26; Paxton Petition I at ¶¶ 1–105.

¹³⁸ 26 U.S.C. § 501(c)(3), (a).

¹³⁹ Church of Scientology of California v. Comm’r of Internal Revenue, 83 T.C. 381, 475 (1984), *aff’d sub nom.* Church of Scientology of California v. Comm’r, 823 F.2d 1310 (9th Cir. 1987).

¹⁴⁰ Better Bus. Bureau of Washington, D.C., Inc. v. United States, 326 U.S. 279, 283 (1945).

¹⁴¹ See, e.g., Treas. Reg. § 1.501(c)(3)-1(c)(1).

¹⁴² Treas. Reg. § 1.501(c)(3)-1(a)–(c); Bob Jones Univ. Museum and Gallery, Inc. v. Comm’r, T.C. Memo. 1996-247, 71 T.C.M. (CCH) 3120, 1996 WL 280900, at *3 (T.C. 1996).

exempt purposes enumerated under section 501(c)(3) was intended to express the basic common law concept of “charity,” as understood in the Anglo-American tradition of extending special legal privileges to charitable trusts.¹⁴³ Thus, in addition to being “organized and operated exclusively for” one of the statutorily enumerated exempt purposes,¹⁴⁴ an entity “asserting a right to the benefits provided for in section 501(c)(3) of the [IRC] . . . must be a common law charity in order to be exempt [from taxation] under that section.”¹⁴⁵ At common law, charitable trusts must be “for purposes beneficial to the community”¹⁴⁶ and “are subject to the requirement that the purpose of the trust may not be illegal or contrary to public policy.”¹⁴⁷ In order to satisfy the “common law standards of charity” necessary to qualify for 501(c)(3) status, an entity must therefore serve a valid public purpose and confer a public benefit, and not have a purpose that is illegal or contrary to established public policy.¹⁴⁸ Importantly, this line of inquiry covers “not just the stated purposes, but the *actual purposes manifested through the organization’s activities.*”¹⁴⁹

To reiterate, EPIC is a mosque that is registered with the IRS as a tax-exempt public charity organization under section 501(c)(3) of the IRC. Accordingly, the IRS may revoke EPIC’s 501(c)(3) tax-exempt status if the mosque fails to satisfy: (A) either the organizational test or the operational test; or (B) common law standards of charity. We find that both grounds for revocation may exist and are likely to be confirmed through an exhaustive IRS investigation into the entire EPIC City enterprise.

A. The EPIC Mosque May Not be Operating Exclusively for Exempt Purposes

At this stage, we find that a full IRS investigation would likely lead to the conclusion that the mosque cannot satisfy the operational test because it: (1) operates substantially for a non-exempt purpose; and (2) inures to private benefit.

1. Non-Exempt Purpose

EPIC will not “be regarded as ‘operated exclusively’ for one or more exempt purposes” if “more than an insubstantial part of [the mosque’s] activities is in furtherance of a nonexempt purpose.”¹⁵⁰ EPIC will fail this first prong of the operational test if the mosque is found to operate

¹⁴³ Rev. Rul. 71-447, 1971-2 C.B. 230 (1971); *Bob Jones Univ. v. United States*, 461 U.S. 574, 588–592, 597 (1983).

¹⁴⁴ *See* 26 U.S.C. § 501(c)(3); *Bob Jones Univ.*, 461 U.S. at 592 & n. 19.

¹⁴⁵ Rev. Rul. 71-447, 1971-2 C.B. 230; *see also Church of Scientology*, 83 T.C. at 455 (“In addition to meeting these express statutory conditions, this Court has ruled that section 501(c)(3) impliedly requires [tax-exempt entities] to comply with fundamental standards of public policy derived from charitable trust law.”).

¹⁴⁶ *Commissioners v. Pemsel*, [1891] A.C. 531, 583.

¹⁴⁷ Rev. Rul. 71-447, 1971-2 C.B. 230.

¹⁴⁸ *Bob Jones Univ.*, 461 U.S. at 586, 591–92 (“[T]o warrant exemption under section 501(c)(3), an institution must fall within a category specified in that section and must demonstrably serve and be in harmony with the public interest. The institution’s purpose must not be so at odds with the common community conscience as to undermine any public benefit that might otherwise be conferred.”); *Church of Scientology of California v. Comm’r*, 823 F.2d 1310, 1315 (9th Cir. 1987).

¹⁴⁹ *Church of Scientology*, 83 T.C. at 504 (emphasis added).

¹⁵⁰ *Bob Jones Univ.*, T.C. Memo. 1996-247, 1996 WL 280900, at *3 (citing Treas. Reg. § 1.501(c)(3)-1(c)).

for the benefit of private interests, such as those of its designated individuals, the creator or his family, shareholders of the organization, or persons controlled (directly or indirectly) by such private interests.¹⁵¹ This includes “operat[ing] for the substantial non-exempt purpose of providing a market for [a for-profit organization’s] services.”¹⁵² The “critical inquiry” here is “whether the entire enterprise is carried on in such a manner that [a] for-profit organization *benefits substantially* from the operation of the [mosque].”¹⁵³

In *Church by Mail v. Commissioner*, for example, the Ninth Circuit found ample evidence to affirm the Tax Court’s finding that a church had operated for the substantial non-exempt purpose of providing a market for a for-profit organization.¹⁵⁴ This evidence consisted of: the employees of the for-profit organization “spend[ing] two-thirds of their time working on the services provided to the Church”; and the “dual control” of both the church and the for-profit organization that enabled those with control “to profit from the affiliation of the two entities,” which created a “potential for abuse.”¹⁵⁵ The federal appeals court held that these facts supported an inference that the church had provided the “*primary market*” for the for-profit organization’s services.¹⁵⁶ Note also that “control” in the operational test context does not require formal legal control where “one corporation in fact conducts its business through another.”¹⁵⁷

Here, it requires only a cursory examination of the public record to recognize that EPIC (a nonprofit mosque) may be operating substantially in furtherance of the non-exempt purpose of providing CCP (a for-profit, residential investment and development management firm) with the primary market for its residential investment and development management services.

CCP was created by EPIC for the sole purpose of managing the investment and development of EPIC City. CCP is and has been operating as a for-profit limited partnership that requires prospective homeowners to purchase a share at \$80,000 for the opportunity to reside in EPIC City on one lot. CCP donates 100% of its profits from the sale of lots to the EPIC non-profit mosque—the sole beneficiary of profits from the EPIC City project—and does so entirely to further the objectives of the mosque.

CCP’s general partner is ERP, which has all decision-making authority in the for-profit company. The sole shareholder of ERP is the EPIC non-profit mosque. Imran Chaudhary is the current president of CCP, who contracted with his own single-member LLC to earn a \$360,000 per year salary for CCP to retain him (via his single-member LLC) as its CEO.¹⁵⁸ In addition, Chaudhary holds himself out as the president of ERP, while he also sits on its Board of Directors.

¹⁵¹ *Church By Mail, Inc. v. Comm’r*, 765 F.2d 1387, 1391 (9th Cir. 1985); Treas. Reg. § 1.501(c)(3)-1(d)(1)(ii).

¹⁵² *Church By Mail, Inc.*, 765 F.2d at 1391.

¹⁵³ *Id.* at 1392.

¹⁵⁴ *See id.* at 1391–92.

¹⁵⁵ *Id.* at 1391.

¹⁵⁶ *Id.* (emphasis added).

¹⁵⁷ U.S. Dep’t of Treas., I.R.S., 1990 EO CPE, C. Overview of Inurement/Private Benefit Issues in IRC 501(c)(3) (1990), <https://www.irs.gov/pub/irs-tege/eotopic90.pdf>.

¹⁵⁸ Paxton Petition I at ¶¶ 84, 97.

Chaudhary is also listed as EPIC’s registered agent and previously served as the non-profit mosque’s president.¹⁵⁹ CCP’s limited partners are the investors in plots of land in EPIC City who pay at least \$80,000 to CCP in return for a nearly 0.2% limited partner interest in CCP.

The only financial return CCP’s “investors” gain is a federal income tax contribution deduction for their investment to reserve a lot within EPIC City, given that CCP transfers all profits to the 501(c)(3) tax-exempt EPIC mosque.¹⁶⁰ Thus, the EPIC mosque and its 501(c)(3) status provide CCP with its entire marketing strategy: invest in this partnership and you will also receive an EPIC City residence *and* a federal income tax deduction for it, too. Moreover, while CCP is the entity managing EPIC City on paper, the EPIC mosque appears to be the *de facto* party in control of making most, if not all of the decisions for the EPIC City project. There appears to be no indication that CCP, Chaudhary, or any other officers, partners, or employees of CCP spend any amount of their time or resources providing CCP’s investment and development management services to another client or development project besides EPIC and EPIC City, respectively.

Put together, this presents a situation where a non-profit mosque created, and exercises control over, a for-profit investment and development management firm whose entire existence is predicated upon providing an investment and development management service for the non-profit mosque and funneling all the profits from those services back to the non-profit mosque. If not for EPIC, CCP would have *no* market for its investment and development management services. Similarly, the publicly available indicators of dual control—and consequent potential for those exercising it to abuse EPIC’s tax-exempt status by profiting from the EPIC–CCP affiliation—are out in the open for all to see.

It is therefore safe to posit, based on the publicly available record, that the 501(c)(3) tax-exempt EPIC mosque may be operating for the substantial non-exempt purpose of providing the sole market for CCP’s residential investment and development services, and that the entire EPIC City enterprise is carried on in such a manner that CCP and its personnel stand to benefit substantially from the operations of the 501(c)(3) tax-exempt EPIC mosque.¹⁶¹ We believe a more thorough examination into the entire EPIC City project, with particular scrutiny on the EPIC–CCP corporate relationship, would lead the IRS to confirm EPIC’s failure to satisfy the first prong of the operational test, and thereby implicate the agency’s lawful discretion to revoke EPIC’s 501(c)(3) status.

2. Private Inurement

The IRS will not regard EPIC as operating exclusively for one or more exempt purposes if the mosque’s “net earnings inure in whole or in part to the benefit of private shareholders or individuals.”¹⁶² EPIC will fail the inurement prong of the operational test if any part of the mosque’s net earnings inure to any “persons having a personal and private interest in the activities

¹⁵⁹ See Tex. Comptroller of Pub. Accts., Franchise Tax Account Status: East Plano Islamic Center, <https://comptroller.texas.gov/taxes/franchise/account-status/search/12006296128> (last visited Apr. 15, 2026).

¹⁶⁰ App. A at 10, 20; The EPIC City Project, FAQs, *supra* note 39.

¹⁶¹ Cf. Church By Mail, Inc., 765 F.2d at 1391–92.

¹⁶² Bob Jones Univ., T.C. Memo. 1996-247, 1996 WL 280900, at *3 (citing Treas. Reg. § 1.501(c)(3)-1(c)).

of the [mosque].”¹⁶³ Persons having a personal and private interest in EPIC’s activities include “designated individuals, the creator, shareholders of the organization, or persons controlled (directly or indirectly) by such private interests.”¹⁶⁴ Put differently, then, EPIC is subject to revocation of its 501(c)(3) tax-exempt status if any of its designated individuals, creators, shareholders, or persons controlled (directly or indirectly) by such private interests “have a personal stake in [the mosque’s] receipts.”¹⁶⁵

Though this provision explicitly refers to “net earnings,” the courts have not interpreted it in a strict accounting sense (i.e., as the remainder after expenses are subtracted from gross earnings).¹⁶⁶ Rather, the provision has been construed and applied so that “[a]ny unjust enrichment, whether out of gross or net earnings, may constitute inurement.”¹⁶⁷ So for anyone with a personal and private interest in EPIC’s activities, “taking a slice off the top [is] no less prohibited than a slice out of net.”¹⁶⁸ Therefore, “paying over a portion of *gross* earnings” to those with any control or interest in the mosque will be held to constitute private inurement.¹⁶⁹ Moreover, for purposes of determining exemption eligibility, corporate structures containing an array of exempt and nonexempt components will be treated as a single entity (with a single, shared revenue) where the parent organization so controls the affairs of its subsidiaries that they are merely instrumentalities of the parent.¹⁷⁰

Here too, a mere cursory examination of the publicly available record is all that is necessary to recognize that the EPIC mosque’s earnings may be inuring in part to the private benefit of Imran Chaudhary.

For starters, it is a matter of public record that Chaudhary has a personal and private interest in the activities of the EPIC mosque. Chaudhary is a designated individual of the mosque as the registered agent of EPIC. Furthermore, Chaudhary is at least indirectly, if not directly, controlled by the private interests of the EPIC mosque on account of the many hats he simultaneously wears within the entire EPIC City enterprise: President of CCP; CEO of CCP via CCP’s retainer contract with his single-member LLC; President of ERP; Board Member of ERP; Registered Agent of EPIC; and former President of EPIC.

So too is it a matter of public record that Chaudhary has a personal stake in the EPIC mosque’s receipts. Based on the corporate structure and relationship of EPIC–CCP discussed at

¹⁶³ *Orange Cnty. Agr. Soc., Inc. v. Comm’r*, 55 T.C.M. (CCH) 1602 (T.C. 1988), *aff’d*, 893 F.2d 529 (2d Cir. 1990).

¹⁶⁴ *Id.* (citing *Treas. Reg. § 1.501(c)(3)-1(d)(1)(ii)*).

¹⁶⁵ *People of God Cmty. v. Comm’r*, 75 T.C. 127, 133 (1980); *Treas. Reg. § 1.501(c)(3)-1(d)(1)(ii)*.

¹⁶⁶ *U.S. Dep’t of Treas., I.R.S., 1990 EO CPE*, *supra* note 157.

¹⁶⁷ *Id.* (citing *People of God Cmty.*, 75 T.C. 127); *see also* *Unitary Mission Church of Long Island v. Comm’r*, 74 T.C. 507, 512–513 (1980), *aff’d*, 647 F.2d 163 (2d Cir. 1981) (“Net earnings include more than net profits and may inure to an individual in more ways than in the distribution of dividends.”); *Orange Cnty. Agr. Soc., Inc.*, 55 T.C.M. (CCH) 1602 (same).

¹⁶⁸ *People of God Cmty.*, 75 T.C. at 133.

¹⁶⁹ *Id.* (emphasis in original).

¹⁷⁰ *I.R.S. Gen. Couns. Mem. 39,326*, 1985 WL 291903, at *3 (Jan. 17, 1985); *U.S. Dep’t of Treas., I.R.S., 1990 EO CPE*, *supra* note 157.

length, *supra*, we can fairly deduce that the parent organization of the EPIC City enterprise (i.e., the EPIC mosque) so controls the affairs of its subsidiaries (i.e., ERP and CCP) that they are merely instrumentalities of the parent. Therefore, for purposes of assessing whether EPIC's earnings inure to the private benefit of Chaudhary, we may treat all of the exempt (i.e., CCP, ERP) and nonexempt (i.e., EPIC) components of the EPIC City enterprise as a single entity.¹⁷¹

Proceeding accordingly, Chaudhary could be said to be “taking a slice off the top” of EPIC's earnings in a way that constitutes unlawful private inurement under the operational test.¹⁷² In Chaudhary's capacity as the CEO of CCP via CCP's retainer contract with his single-member LLC, Chaudhary is receiving a \$360,000 annual salary. CCP presumably finances its CEO salary through the gross earnings it receives from the \$80,000 investments that are made in return for 0.2% limited partner interests in CCP and reserved residential lots within EPIC City. If CCP was not paying out \$360,000 of its gross earnings to Chaudhary through a contract with his single-member LLC, this overhead would otherwise become profit that should pass down to EPIC, as CCP donates 100% of its profits from the sale of lots to the mosque (i.e., the sole beneficiary of all EPIC City profits) in order to further the objectives of the mosque.

In light of the above, we can also conclude that a portion of EPIC's gross earnings may be inuring to Imran Chaudhary, who has a personal and private interest in the activities of the 501(c)(3) tax-exempt mosque.¹⁷³ Here too, we believe a more thorough examination into the entire EPIC City project, with particular scrutiny on Imran Chaudhary's multi-hatted role, would lead the IRS to confirm EPIC's failure to satisfy the private inurement prong of the operational test, and thereby implicate the agency's lawful discretion to revoke the mosque's 501(c)(3) status.

B. The EPIC Mosque May Serve Purposes that Contravene Fundamental Public Policy

We also find at this juncture that a full IRS investigation would likely lead to the conclusion that the EPIC mosque cannot satisfy common law standards of charity, either, due to actively serving purposes that are contrary to the fundamental public policy against the establishment of religion and the curtailment of religious exercise or expression.

A declaration that EPIC is not “charitable” should be made if “there can be no doubt that the activity involved is contrary to fundamental public policy.”¹⁷⁴ The mosque will be found to serve a purpose that is contrary to fundamental public policy if: (1) “the public policy involved is clear and fundamental”; and (2) “the specific activities of the [mosque] violate that fundamental public policy.”¹⁷⁵

At the outset, there is “no more fundamental federal public policy than the Bill of Rights” in the 501(c)(3) charity context.¹⁷⁶ The Bill of Rights includes the Establishment Clause of the

¹⁷¹ *Cf.* I.R.S. Gen. Couns. Mem. 39,326, 1985 WL 291903, at *3.

¹⁷² *People of God Cmty.*, 75 T.C. at 133.

¹⁷³ *Cf. id.*; *Unitary Mission Church*, 74 T.C. at 512–513; *Orange Cnty. Agr. Soc., Inc.*, 55 T.C.M. (CCH) 1602.

¹⁷⁴ *Bob Jones Univ.*, 461 U.S. at 592.

¹⁷⁵ I.R.S. Gen. Couns. Mem. 39,800, 1989 WL 592766, at *4 (Oct. 25, 1989).

¹⁷⁶ *Id.*

First Amendment which, as applied against state and local governments through the Fourteenth Amendment, “prohibits any state action respecting an establishment of religion.”¹⁷⁷ It also includes the Free Exercise Clause and the Free Speech Clause “appear[ing] in the same sentence of the same Amendment,” which serve the “‘complementary’ purposes”¹⁷⁸ of prohibiting any state action that curtails “religious exercises, whether communicative or not,” or “expressive religious activities,” respectively.¹⁷⁹ The public policies enunciated and embodied in the Establishment Clause, Free Exercise Clause, and Free Speech Clause are therefore “clear and fundamental.”¹⁸⁰

As for the second requirement, recall that EPIC is operating its privately owned municipality that—with the exception of private ownership—will have “all the characteristics of any other American town.”¹⁸¹ Under Supreme Court precedent, the operation of a company-owned town by a private actor qualifies as state action because the private actor is performing a “public function” that has been “traditionally *and* exclusively performed” by government.¹⁸² All actions taken by EPIC to direct, manage, or operate EPIC City should therefore constitute state actions subject to constitutional constraints, including the fundamental public policies concerning religious establishment, exercise, and expression set forth in the First Amendment.¹⁸³ Accordingly, if an exhaustive investigation of EPIC’s activities verify the mosque’s conscious efforts to subject all “‘members and non-members’” of its municipality to observation of the Islamic Code of Conduct and Ethics “‘in all proceedings and at all times,’”¹⁸⁴ the IRS should have little trouble concluding that the mosque is serving a purpose that is plainly contrary to the fundamental public policy against the establishment of religion and the curtailment of religious exercise or expression.¹⁸⁵

¹⁷⁷ *Id.* (citations omitted).

¹⁷⁸ *Kennedy v. Bremerton Sch. Dist.*, 597 U.S. 507, 533 (2022) (citing *Everson v. Board of Ed. of Ewing*, 330 U.S. 1, 13, 15 (1947)).

¹⁷⁹ *Id.* at 523 (citations omitted).

¹⁸⁰ I.R.S. Gen. Couns. Mem. 39,800, 1989 WL 592766, at *4.

¹⁸¹ *Marsh v. State of Alabama*, 326 U.S. 501, 502 (1946).

¹⁸² *Manhattan Cmty. Access Corp. v. Halleck*, 587 U.S. 802, 809–10 (2019) (emphasis in original) (citations omitted); *see also* *Marsh*, 326 U.S. at 505–09.

¹⁸³ *See id.* at 508.

¹⁸⁴ App. A at 6, 16 (citation omitted); EPIC Const., art. V, § G, art. X, § F <https://epicmasjid.org/wp-content/uploads/2024/01/EPIC-Constitution-FINAL.pdf> (last visited Mar. 19, 2026).

¹⁸⁵ *See Zorach v. Clauson*, 343 U.S. 306, 314 (1952) (explaining that a state actor “may not thrust any sect on any person,” or “make a religious observance compulsory”); *Janny v. Gamez*, 8 F.4th 883, 903 (10th Cir. 2021) (explaining that a state actor “cannot ‘force . . . [a person] to profess a belief or disbelief in any religion,’” nor “coerce anyone to support or participate in religion or its exercise.” (internal citations omitted)); *Esses v. Rosen*, No. 24-CV-3605 (RPK) (CLP), 2024 WL 4494086 (E.D.N.Y. Oct. 15, 2024) (“The Establishment Clause bars state actors from deciding disputes of religious doctrine or practice.” (internal citations omitted)); *Marsh*, 326 U.S. at 508 (holding that the managers of a private company-owned town “cannot curtail the liberty of press and religion of the[] people [residing in the area or passing through] consistently with the purposes of the Constitutional guarantees”); *id.* at 509 (concluding that “the circumstance that the property rights to the premises where the deprivation of liberty, here involved, took place, were held by others than the public, is not sufficient to justify the State’s permitting a corporation to govern a community of citizens so as to restrict their fundamental liberties” under the First Amendment).

* * *

Based on the foregoing, the Oversight Project finds that EPIC’s federal income tax exemption under section 501(c)(3) of the IRC may be subject to revocation by the IRS on grounds that the mosque’s activities: substantially further the non-exempt purpose of providing a market for CCP’s services; inure to the private benefit of Imran Chaudhary; and serve a purpose that is contrary to the fundamental public policy against religious establishment and curtailment of religious exercise or expression. The Oversight Project accordingly calls upon the IRS to conduct an exhaustive investigation into the entire EPIC City enterprise involving EPIC, ERP, and CCP and issue a ruling on the revocation of EPIC’s 501(c)(3) status.

* * *

CONCLUSION

The developers of EPIC City appear to have violated multiple federal and state laws in their efforts to build a Muslim enclave in the heartland of America. While last-minute legal victories by Texas Attorney General Ken Paxton appear to have at least delayed the project, our investigation showed that the Texas Workforce Commission could have stopped this project in its tracks last year and failed to do so. The Oversight Project will continue investigating anti-American activities and will hold government entities accountable.