

Before the
COPYRIGHT ROYALTY JUDGES
Washington, DC

In the Matter of)

Phase II Distribution of the 1998)
and 1999 Cable Royalty Funds)

Docket No. 2008-1
CRB CD 1998-1999 (Phase II)

SETTLING DEVOTIONAL CLAIMANTS' WRITTEN REBUTTAL STATEMENT ON
CLAIMS ISSUES ONLY

PUBLIC REDACTED VERSION

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The Settling Devotional Claimants ("SDC") hereby submit their Written Rebuttal Statement on Claims Issues Only in connection with the proceeding referenced above.

I. INTRODUCTION

Through its fraudulent and unethical conduct in these proceedings, and by disclaiming its authority and responsibility on behalf of its claimants, IPG has demonstrated that it is not a qualified claimant in this proceeding and cannot be a responsible representative of its purported claimants. IPG's claims should be stricken, and IPG should be disqualified from participation in these proceedings as an agent or otherwise.

Moreover, certain of IPG's claims must be stricken or denied, even if IPG or IPG's claimants were allowed to proceed:

- IPG's claim on behalf of Feed the Children, Inc., should be stricken or denied because the program *Feed the Children* is not properly classified in the Devotional Category.
- IPG's claims on behalf of "Adventist Media Center Productions," "Benny Hinn Ministries," "Kenneth Copeland Ministries," and "Creflo Dollar Ministries" should be stricken or denied because these purported entities do not exist and have not been shown to hold any rights on the copyrights for the programs claimed.

- IPG’s claims on behalf of Feed the Children, Inc., Life Outreach International, and the non-existent entity “Adventist Media Center Productions” should also be stricken or denied because IPG has failed to show that its representation agreements with these entities were signed by a person authorized to sign on IPG’s behalf prior to the filing of IPG’s claims.

II. SUMMARY OF REBUTTAL EVIDENCE

A. IPG’s Claims Should Be Stricken, and IPG Should Be Disqualified From Participation in These Proceedings.

IPG filed two joint claims in this proceeding: Claim 434 (SDC-P-001) and Claim 433 (SDC-P-002). At least one of those joint claims, Claim 434, is fraudulent. At a minimum, that joint claim should be stricken because the Judges should not countenance an attempt to defraud the tribunal. Moreover, because IPG was responsible for the attempted fraud, the Judges should strike both of its claims.

Because of IPG’s attempted fraud, and also because IPG has disclaimed its agency relationship with its claimants in these proceedings and has engaged in unethical conduct with an attorney for several of its claimants, the Judges should disqualify IPG from representing claimants as an agent in these proceedings.

1. IPG has committed fraud in this proceeding.

Raul Galaz, IPG’s founder and one of the two witnesses for IPG in this proceeding, used a fictitious entity, “Tracee Productions,” and the alias Billy Taylor (along with other fictitious entities and aliases), for the purpose of filing false copyright royalty claims, with the intent of defrauding the United States and the Motion Picture Association of America-Represented Program Suppliers (“MPAA”). *See* SDC-P-003 (Criminal Information) at ¶ 10 (Tracee Productions was a “fictitious business entity” used fraudulently to claim entitlement to cable and

satellite retransmission royalties); SDC-P-004 (Plea Agreement) at ¶ 3 (admitting facts contained in the Information). The Criminal Information enumerated offenses personally committed by Mr. Galaz covering the years 1994-1997.

As set forth in the Plea Agreement, in addition to pleading guilty to the crime of mailing the fraudulent 1996 copyright royalty claim for Tracee Productions, Mr. Galaz agreed to cooperate “completely, candidly and truthfully in the present investigation of a scheme to defraud the United States Copyright office and the Motion Picture Association of America.” SDC-P-004 at 2. Among other commitments, he agreed “[n]ot to attempt to protect any person or entity through false information or omission.” *Id.* In turn, the Fraud Section agreed not to bring any additional criminal charges against Mr. Galaz “relating to or arising from the matters identified in the Criminal Information to which the defendant will plea [*sic*] guilty.” *Id.* at 4.

At the sentencing hearing, Mr. Galaz’s attorney made a special request of the Court not to impose “a complete restriction” on Mr. Galaz’s ability to work in the copyright business.¹ SDC-P-006 (Transcript of Sentencing before the Hon. Henry H. Kennedy, Jr.) at 9-10. The Court did not impose a ban on future business with the U.S. Copyright Office, but noted that Mr. Galaz caused “a lot of loss ... the damage to the system. That simple [*sic*] can’t be repaired, period.” *Id.* at 13-14.

In 2005, after serving his prison term and in light of the objection of his Probation Officer, Mr. Galaz sought approval of the Court to resume work at IPG. His motion was opposed by MPAA. In Reply to MPAA’s opposition, Mr. Galaz made the following statement:

At no time did Galaz utilize or involve the entity [IPG] with his crime, nor was this ever alleged. ... Although Galaz filed claims with the Copyright

¹ The Register of Copyrights had filed a letter with the Court urging that IPG be barred from future proceedings. Ex. SDC-P-005.

Office falsely purporting to own certain television programs, it was performed through an alias. At no time did Galaz perform any illegal acts through or in any way related to the legitimate entity for which he now seeks employment. In fact, Galaz's actions pre-dated the organization of [IPG].

SDC-P-007 (“Defendant’s Reply Brief in Support of Motion for Clarification of Ruling Or, Alternatively, Modification of Judgment”) at 2 (emphasis supplied). As is now clear, Mr. Galaz’s statement that he never performed “illegal acts through” IPG was untrue. While the Court granted Mr. Galaz’s motion to work for IPG, it never had the opportunity to consider IPG’s 1999 Claim 434, which includes a claim for the fraudulent business entity, Tracee Productions. *See* SDC-P-001.

In sum, throughout his criminal ordeal, Mr. Galaz falsely claimed that he acted alone and he was solely responsible for the filing of false claims. By doing so, he successfully inoculated IPG from any charge of wrongdoing and won the freedom to work for IPG after his incarceration. He misled prosecutors and the Court to believe that IPG had no involvement whatsoever in the filing of any false claim, including any claim involving Tracee Productions. He also specifically misled counsel for his IPG’s claimants. *See* SDC-P-033 (email from David Joe, counsel for Eagle Mountain International Church and others, accusing Mr. Galaz of lying about his continuing involvement with IPG).

In a supreme act of hubris, Mr. Galaz invited further scrutiny of himself and IPG, arguing to the Court that there was no need for a probation officer to monitor his activities with IPG because MPAA and other claimants in these proceedings had the incentive to discover further improprieties and bring them to the attention of the Copyright Office and other authorities. SDC-P-008 (“Defendant’s Additional Reply Brief in Support of Motion for Clarification on Ruling or, Alternatively, Modification of Judgment, Responding Directly to Amicus Brief of the

Motion Picture Association of America”) at 4-6. The Judges should take Mr. Galaz up on his invitation of scrutiny.

The Judges recognized the relevance of IPG’s fraudulent claim in this proceeding when they granted SDC’s motion to compel production of documents relating to Tracee Productions:

SDC’s Motion with regard to this Request is **GRANTED**. Although IPG is not seeking in this proceeding to recover and distribute royalties on behalf of claimant Tracee Productions, SDC has presented a sufficient argument to demonstrate that documents related to the relationship between Worldwide Subsidy Group (d/b/a IPG) and Tracee Productions may reveal “whether IPG’s joint claims at issue in this proceeding are tainted with fraud.” SDC Motion at 8.

More specifically, the 1999 claims and claimants the IPG purports to represent in this proceeding (including Benny Hinn Ministries, Creflo Dollar Ministries and Eagle Mountain International Church) were joined with claims for, *inter alios*, the purported claimant Tracee Productions. ... the Tracee Production documents could reasonably reveal fraud that goes directly to the joint claim that triggered IPG’s participation *in the present proceeding*. ... The reason why the Tracee Production documents are discoverable and potentially relevant is that they may assist the Judges in resolving the predicate fact and credibility issue that IPG’s opposition simply assumes, i.e., that these devotional claimants in fact are “*IPG-represented* devotional claimants.”

Order Granting in Part and Denying in Part Settling Devotional Claimants’ Motion to Compel the Production of Documents at 22-23 (January 31, 2014) (the “January 31 Order”). In response to the Judges’ order to produce responsive documents, IPG responded, “No responsive documents exist.” SDC-P-009 at 5-6. Though disturbing, this is not surprising. As shown above, there is no “Tracee Productions” – only IPG’s fraudulent attempt to deceive the Copyright Office and the parties.

Because it is now clear that Mr. Galaz’s fraud extended into the 1999 proceeding, and because IPG was itself responsible for perpetuating the fraud through Claim 434. Claims 434

and 433 should be stricken and IPG should be disqualified from representing claimants in this proceeding.

2. IPG has disclaimed its agency relationship with the copyright owners of its claimed programming.

As the Judges have previously held, “IPG has not established itself as an assignee of rights that would justify distribution of royalties to IPG for its own account. Therefore, the Judges assess IPG's role in the claim filing process as one of agent for the respective claimants.” Memorandum Opinion and Order Following Preliminary Hearing on Validity of Claims, Docket No. 2008-2 CRB CD 2000-2003 (Phase II), at 2 (Mar. 21, 2013). *See also id.* at 8 (“[T]hose who file claims on behalf of copyright claimants act as their agents. ... [T]he legal right to the royalties, if any, remains with the claimant.”). IPG’s only right to proceed in these proceedings, therefore, is as an agent for its claimed copyright owners.

But IPG disclaimed its agency relationship with its claimed copyright owners in an email to counsel for the SDC, specifically denying that one of its alleged claimants, Kenneth Copeland Ministries, bore any responsibility for IPG’s actions:

IPG has never asserted that it was the “agent” of Kenneth Copeland Ministries. In fact, IPG has asserted exactly the contrary, and clarified that its role is as an assignee of most parties whose catalogues it controls. Citation to such representation is found in the first few pages of the Direct Statement of IPG in the very proceeding cited by Mr. MacLean, wherein IPG stated that “In all but a handful of instances, IPG stands as an ‘assignee’ of those producers' copyright retransmission royalty rights.” To IPG's knowledge, Kenneth Copeland Ministries has never asserted that IPG was its “agent”, nor has IPG asserted that it is an “agent” of Kenneth Copeland Ministries. All parties to the IPG/KCM agreement are in agreement as to IPG's status, as much as it may frustrate Mr. MacLean.

SDC-P-010 (email on Jan. 8, 2014, from R. Galaz to M. MacLean). In the same email exchange, Kenneth Copeland Ministries’ counsel, David Joe, denied that Kenneth Copeland Ministries was responsible for IPG’s conduct, but avoided stating whether IPG was an agent. IPG repeated its

disclaimer of agency in its “Appellant’s Reply Brief” in *IPG v. Librarian of Congress, et al.*,

Case No. 13-1132 (Jan. 16, 2014):

As but another red herring, the Intervenor refers to correspondence with counsel for Kenneth Copeland Ministries (“KCM”), asserting that IPG is but an agent for such entity. As Intervenor is well aware, neither IPG or KCM has characterized IPG as KCM’s “agent”. Rather, and as the record in prior proceedings will uniformly reflect, IPG has always represented itself as an “assignee” of KCM’s rights, and KCM agrees with such characterization.

SDC-P-011 at 17-18. As IPG’s email the brief clearly show, the context of the disclaimer of agency was to shield Kenneth Copeland Ministries from potential responsibility for IPG’s filing of a frivolous appeal of the distribution of 1998 cable royalty funds in accordance with a settlement agreement that IPG signed. But IPG cannot have it both ways. Either it is an agent, in which case it is responsible to its principals and its principals are chargeable with its conduct; or it is not an agent, in which case IPG has no authority in these proceedings at all. The Judges previously allowed IPG to proceed exclusively as an agent. But IPG has now disclaimed that role, and has no place in these proceedings.

3. IPG has not acted as a responsible agent.

Even if IPG had not disclaimed its agency relationship, it has proven not to be a responsible agent for claimants before the Judges. First, its history of fraud, including in this very proceeding, disqualifies it as an agent. Second, IPG’s documents show that it has participated in an unethical scheme to pay kickbacks to the law firm of attorney David Joe in exchange for referral of Mr. Joe’s clients to IPG. The kickback was not disclosed to at least one of Mr. Joe’s clients. *See* IPG’s Opposition to SDC’s Motion to Issue Subpoenas (Nov. 29, 2013) at Ex. A (“[Kenneth Copeland Ministries] has no reason to believe ... that David Joe, Esq. or his firm has received an alleged ‘secret kickback’ of royalties owing to KCM or any third party”).

The secret kickback or “finder’s fee” agreement provides for payment by IPG to the law firm Brewer, Brewer, Anthony & Middlebrook (“BBAM”), Mr. Joe’s Texas law firm. SDC-P-012. Mr. Joe personally signed IPG’s representation agreements on behalf of Kenneth Copeland Ministries, and also purported to represent “Benny Hinn Ministries” and “Creflo Dollar Ministries.” The kickback agreement is in violation of Mr. Joe and BBAM’s professional obligations to their clients – including both their former clients (one of which claims to have been aware of the kickback scheme), and their current client (who was apparently never aware of the arrangement). The kickback agreement requires BBAM to [REDACTED] [REDACTED], requires BBAM to [REDACTED] [REDACTED], and prohibits BBAM from [REDACTED].

[REDACTED].²

The Texas Committee on Professional Ethics has held that a “referral fee” from a service provider to a lawyer for referring the lawyer’s clients to the service provider is prohibited by the Texas Disciplinary Rules of Professional Conduct, even if the client is aware of the “referral fee”:

Because the client’s participation in the Program could continue for a substantial period of time and the lawyer has contractual obligations to the [service provider], the lawyer could not reasonably believe that this arrangement with a [service provider] would not materially affect his representation of the client.

Tex. Comm. on Professional Ethics, Op. 536, V. 64 Tex. B.J. 7 (2001), attached as SDC-P-013.

This is particularly true because an attorney receiving a “referral fee” of this nature would have a financial inducement not to recommend termination of the agent’s services:

² Shaded lines are redacted from the public version of this pleading.

For example, the on-going fee arrangement to the lawyer from the [service provider] would create a financial inducement for the lawyer to avoid a critical appraisal of the [service provider's] on-going services that might lead to a recommendation that the client terminate such advisory services.

Id. The kickback agreement with BBAM runs directly afoul of this opinion, all the more so because it actively prohibits and discourages BBAM from conducting a critical appraisal of IPG's conduct and from advising its clients to change service providers. This unethical kickback scheme casts further doubt on IPG's qualifications to proceed as an agent in these proceedings. *See, e.g.*, Memorandum Opinion and Order Following Preliminary Hearing on Validity of Claims, Docket No. 2008-2 CRB CD 2000-2003 (Phase II), at 8 (Mar. 21, 2013) (decrying IPG's use of "strong-arm tactics ... to prevent [claimant] from severing the principal/agency relationship").

The kickback agreement is especially troubling in light of Mr. Joe's retraction of his serious accusations that Mr. Galaz absconded with royalty funds. *See* SDC-P-032, e-mail from David Joe (July 15, 2002) (accusing Mr. Galaz of concealing distributions from Mr. Joe and his client); SDC-P-033, e-mail from David Joe (Oct. 4, 2004) (repeating the allegation and expressing dismay that Mr. Galaz had lied to him by telling him that Mr. Galaz "was completely out of the company"). No explanation has been offered as to how Mr. Joe's concerns were resolved, suggesting that Mr. Galaz has successfully influenced Mr. Joe, either through intimidation by threatening litigation, as IPG has done with its other clients (*see* SDC-P-010), or as a result of the strong financial interests of Mr. Joe's firm in keeping its clients with IPG (*see* SDC-P-012). Either way demonstrates IPG's complete lack of regard of its responsibilities as an agent for claimants in this proceeding, if it in fact holds that status. The SDC have moved for a subpoena of Mr. Joe to further explain the kickback agreement and the purported resolution of his allegations against Mr. Galaz and IPG.

To the extent that the Judges harbor an understandable concern that striking IPG's claims would punish claimants for IPG's misconduct, IPG's disclaimer of any agency relationship should put such concerns to rest. By its own statements and conduct, IPG is pursuing only its own interests, and has disclaimed any pursuit of the interests of its claimants. But if the Judges are nevertheless inclined to allow certain claimants to proceed on their own claims, the Judges could permit them to do so without IPG as an agent. The Copyright Office itself recommended such a course of action at the time of Mr. Galaz's sentencing, before IPG's involvement in Mr. Galaz's fraud was even known:

In order to better ensure that Mr. Galaz does not again wreak havoc on the claims filing system and given the administrative costs associated with his future participation in distribution proceedings, the Office also requests that the Court ban Mr. Galaz or any entity in which he has an interest from filing with the Office future cable or satellite claims and from pursuing claims which he or such entities have already filed. ... Such a ban would not infringe Mr. Galaz's rights, as he is not a copyright owner and merely acts as an agent for those copyright owners who have a valid claim. Nor would the rights of those copyright owners represented by him be compromised. Those copyright owners could either file or pursue their claims themselves or could seek new agents to file or pursue claims on their behalf.

SDC-P-005 at 3 (United States Copyright Office, Victim Impact Statement, *United States v. Galaz*, Crim. No. 02-230 (Sep. 13, 2002)).

B. *Feed the Children* Is Not a Properly Classified in the Devotional Category.

IPG claims the program *Feed the Children*, but this program is not properly classified in the Devotional Category. Indeed, IPG itself claimed *Feed the Children* in the Program Suppliers Category in the 2000-2003 Phase II cable royalty proceeding. See SDC-P-014. IPG claimed *Feed the Children* in both the Program Suppliers Category and the Devotional Category for 2000-2009 satellite royalties and 2004-2009 cable royalties. See SDC-P-015 and SDC-P-016.

IPG failed to produce any exemplar of *Feed the Children* programming from 1999 or any other year, even in response to the Judges' January 31 Order requiring IPG to produce such an exemplar if one is in IPG's "possession, care, custody or control (through the claimant or otherwise)," and in spite of the Judges' finding that "it at least appears on the surface that IPG might have 'played fact and loose' with its categorization of this particular title and program." January 31 Order at 14-15.

Indeed, IPG has not produced any admissible evidence that could satisfy its burden of production to make a prima facie showing that *Feed the Children* is in the Devotional Category. SDC, on the other hand, presents the testimony of Dr. William J. Brown, an expert in communication theory and research, who is familiar with *Feed the Children* programming and the accepted criteria for distinguishing between genres of programming. Dr. Brown concludes that *Feed the Children* is not a program of a "primarily religious theme," as required by the definition of Devotional Category programming, because (1) its focus is not on faith in a God, deity, religion or religious leader; (2) it does not teach a religious doctrine or body of beliefs; and (3) it does not provide or offer a specifically religious benefit to the viewing audience. Instead, *Feed the Children* is a fundraising infomercial for humanitarian relief without substantial religious-themed content. *See* Testimony of Dr. William J. Brown.

Dr. Brown's testimony is supported by Feed the Children, Inc.'s Form 990 for 1999, which does not mention religion in its statement of exempt purposes, and instead describes its "primary exempt purpose" as "humanitarian services." It does not check the block to identify itself as a "church, convention of churches, or association of churches" in its "Reason for Non-

Private Foundation Status” or its “Reason for Public Charity Status.” SDC-P-017.³ In both sections, Feed the Children, Inc., instead identifies itself as “an organization that normally receives a substantial part of its support from a governmental unit or from the general public ...” Similarly, Feed the Children, Inc. makes no mention of any religious purpose in its publicly filed trademark registrations. SDC-P-018.

The evidence presented by IPG is inadequate to establish that *Feed the Children* is a properly in the Devotional Category, and the evidence presented by SDC establishes the opposite. Nevertheless, in case there is any doubt about the proper categorization of *Feed the Children*, the SDC have requested a subpoena for a proper person from Feed the Children, Inc., to testify concerning *Feed the Children* programming.

The reason why IPG wants to include *Feed the Children* in the Devotional Category in 1999 is simple: IPG has already settled with MPAA and the Copyright Office in the Program Suppliers Category for 1999, and therefore can no longer pursue a claim of Feed the Children in the Program Suppliers Category for this year. SDC-P-019. Therefore, it decided to try to fool the Judges and the SDC into accepting *Feed the Children* as a Devotional Category Claim. IPG’s claim for *Feed the Children* must be stricken from the Devotional Category.

C. Several of IPG’s Alleged Claimants Are Not Proper Claimants.

1. “Adventist Media Center Productions” is not a legal entity, and does not own *It Is Written* or *Breath of Life*.

IPG’s joint Claim 433 (SDC-P-002) includes a claim for “Adventist Media Center Productions.” As set forth in the purported Amendment filed with the Copyright Office on May 13, 2004, by It Is Written, Inc., there is no such entity as “Adventist Media Center Productions.”

³ The SDC have requested the Judges to issue a subpoena to Feed the Children, Inc. to produce an authenticated copy of its Form 990 for 1999.

SDC-P-020. There is an entity called “Adventist Media Productions,” but it does not own the copyright to *It Is Written*. *Id.* There is no evidence that Adventist Media Productions owns the copyright to IPG-claimed program *Breath of Life*, either. *It Is Written* is owned by It Is Written, Inc., which has never authorized IPG to file claims on its behalf. *Id.*

There is no record of any copyright registration having been filed by Adventist Media Productions or “Adventist Media Center Productions,” but It Is Written, Inc. has filed numerous copyright registrations for programs. SDC-P-021. The owner of *Breath of Life* is apparently Breath of Life, Inc., which has also filed copyright registrations for programs. *Id.*

IPG has presented an email from Terri Nigro of “The AMS Agency” attaching a “confirmation of control” for *Breath of Life*, *It Is Written*, and *Lifestyle Magazine* (a program not claimed in this proceeding). *See* IPG’s Opposition to SDC’s Motion to Compel (Jan. 13, 2014) at Ex. B. It is unclear what connection, if any, exists between The AMS Agency and Adventist Media Productions. And IPG’s email request for “confirmation of programs controlled by your organization” is ambiguous, perhaps intentionally so. *Id.* It is even more ambiguous in light of IPG’s statement, unsupported by any documentary evidence, that Adventist Media Productions is the “parent organization” of Breath of Life, Inc. and It Is Written, Inc. *Id.* There is no evidence that Mr. Galaz’s statement is true. But even if it were true that Adventist Media Productions were the parent, it might establish some measure of control, but would not establish copyright ownership.

IPG’s claims on behalf of “Adventist Media Center Productions” for *Breath of Life* and *It Is Written* must be stricken or denied.

2. **“Benny Hinn Ministries” is not a legal entity, and was not a fictitious name of the owner of *Benny Hinn* and *Benny Hinn* at the time of the filing of IPG’s claim.**

IPG's joint Claim 434 (SDC-P-001) includes a claim for "Benny Hinn Ministries." As shown in documents produced by IPG, "Benny Hinn Ministries" is not an actual entity, but is currently a registered fictitious name of World Healing Center Church, Inc. A fictitious entity name is not sufficient to give the Copyright Office and other parties notice of the identity of the claimant, and IPG itself has amply demonstrated the dangers inherent in submitting claims under fictitious names.

Even if a fictitious entity name could be sufficient in some circumstances, it is not sufficient in this case. "Benny Hinn Ministries" was only registered as a fictitious name of World Healing Center Church, Inc. on November 15, 2000, *after* the filing of IPG's Claim 434 on July 31, 2000. SDC-P-022. As of the date of filing of the claim for "Benny Hinn Ministries," there would have been no way to establish who was actually the claimant. The practice of assigning names to claimants months after the filing of the claim opens the process to obvious opportunities for abuse, and should not be allowed. IPG's claim for "Benny Hinn Ministries" and the programs *Benny Hinn* and *Benny Hinn Daily* must be stricken or denied.

Moreover, "Benny Hinn Ministries" should be stricken or denied as a result of IPG's failure to produce a copy of World Healing Center Church, Inc.'s purported approval of the "finder's fee" kickback agreement between IPG and World Healing Center Church, Inc.'s former law firm, BBAM, in spite of World Healing Center Church, Inc.'s express claim that such an approval existed and the Judges' order to produce it. SDC-P-009 at 6-7.

3. No evidence establishes Eagle Mountain International Church a/k/a Kenneth Copeland Ministries as the copyright owner or exclusive licensee of *Kenneth Copeland* programs.

IPG's joint Claim 434 (SDC-P-001) includes a claim for Eagle Mountain International Church, aka Kenneth Copeland Ministries. Eagle Mountain International Church ("EMIC") is a

valid entity, but there is no evidence that it is the copyright owner or exclusive licensee of the various *Kenneth Copeland* programs claimed by IPG. Indeed, EMIC informed the Senate Finance Committee that “[Kenneth] Copeland has retained the ownership of his works but has granted the Church a perpetual license to use these works in exchange for a market-based royalty.” SDC-P-23 at 22. Similarly, the Committee obtained a copy of EMIC’s employment agreement for Gloria Copeland, providing that Ms. Copeland’s “works of authorship” created prior to and during her employment with EMIC belong to her, and not to EMIC. *Id.* at 21.

A nonexclusive license is insufficient to establish copyright ownership. IPG has not met its burden to show that EMIC is the owner of *Kenneth Copeland* programs, and the claim should be stricken or denied. But in case the Judges believe that further inquiry is necessary, the SDC have moved for a subpoena of Jan Harbour, Chief Financial Officer of EMIC to testify as to the ownership of *Kenneth Copeland* programs.

4. Creflo Dollar Ministries is not a legal entity, and does not own *Changing Your World* and the various *Creflo Dollar* programs.

IPG’s joint Claim 434 (SDC-P-001) also includes a claim for “Creflo Dollar Ministries.” There is no such entity. According to the *Senate Finance Committee, Minority Staff Review of World Changers Church International (WCCI)*, “[a]s of August 2008 a search of the Georgia Secretary of State records indicates there is no legal entity by the name of Creflo Dollar Ministries.” SDC-P-024. A search on March 11, 2014, reveals the same thing. Declaration of Peter Vay. The CREFLO trademark was registered by Creflo A. Dollar as an individual. SDC-P-025.

IPG apparently claims that “Creflo Dollar Ministries” is a d/b/a of World Changers Church International, Inc. But there is no evidence that “Creflo Dollar Ministries” has ever been registered as a d/b/a, or, for that matter, that World Changers Church International, Inc. is the

copyright owner of *Changing Your World* and the *Creflo Dollar* programs. As shown in IPG's own documents, World Changers Church International, Inc. is merely one of a vast array of entities controlled by Creflo and Taffi Dollar. SDC-P-026. There is no showing which of this multitude of entities, if any, is the owner of *Creflo Dollar* programming. Significantly, "Creflo Dollar Ministries" is listed separately in this document as an "unincorporated entity," directly conflicting with IPG's claim that it is a d/b/a of World Changers Church International, Inc. *Id.*

IPG has produced a Bank of America Deposit Account Documentation Card from June 5, 2012, and a Form W-9 signed on January 23, 2014 (after the filing of IPG's direct case) claiming that "Creflo Dollar Ministries" is a business name of World Changers Church International. Suffice it to say that these two non-public documents executed well more than a decade after IPG's filing of its claim on behalf of "Creflo Dollar Ministries" are insufficient to establish the true identity of the claimant, much less to put the Copyright Office and other parties on notice at the time of the filing of the claim on July 31, 2000. This is all the more so in light of IPG's own documents conflicting with the d/b/a claim. SDC-P-026.

Adding to the confusion, IPG's representation agreement is signed on behalf of "Creflo A. Dollar Ministeries [*sic*]" by Adrienne Thomas. SDC-P-027 (filed under seal). Ms. Thomas is identified as a purported agent for "International Covenant Ministries" (SDC-P-024 at 3), which is identified as a former name of "Creflo Dollar Ministerial Association" (SDC-P-026). There is no evidence that "Creflo Dollar Ministries" is a business name for "Creflo Dollar Ministerial Association," or that "Creflo Dollar Ministerial Association," has any ownership interest in *Changing Your World* and the *Creflo Dollar* programs.

The evidence presented by IPG fails to show that "Creflo Dollar Ministries" is an actual entity or that it is the owner of *Changing Your World* and the various *Creflo Dollar* programs

claimed by IPG. Indeed, the SDC's evidence shows that "Creflo Dollar Ministries" does not exist and is not the same as World Changers Church International, which also might not be the copyright owner. Nevertheless, for the avoidance of any doubt, the SDC have requested a subpoena for Chandra Winford, the CFO of World Changers Church International, Inc., who purported to sign the Bank of America Deposit Account Documentation Card from June 5, 2012, and the Form W-9 that IPG hopes to offer to show that "Creflo Dollar Ministries" is a business name of World Changers Church International.

IPG's claim for "Creflo Dollar Ministries" and *Changing Your World* and the various *Creflo Dollar* programs must be stricken or denied.

D. There is No Evidence That Lisa A. Katona Had Authority on Behalf of IPG to Enter Into Agreements with Feed the Children, Inc., Life Outreach International, or "Adventist Media Center Productions."

IPG bases its claim of authority to represent Feed the Children, Inc., Life Outreach International, and the non-existent entity "Adventist Media Center Productions" on agreements purportedly signed on behalf of IPG by Lisa A. Katona, Mr. Galaz's ex-wife. SDC-P-028, SDC-P-029, and SDC-P-030 (filed under seal). In spite of the Judges' January 31 Order requiring IPG to produce "documents that set forth the title and authority of ... Lisa Katona Galaz," IPG has produced no documents showing that Ms. Katona had any position with IPG before she received a 37.5% ownership interest in IPG on about May 6, 2002, or that she had any authority to act on IPG's behalf before she received a power of attorney in February, 2003, shortly before Mr. Galaz went to prison. SDC-P-031 at 3. Ms. Katona's signatures are undated, but the timing of Ms. Katona's involvement in IPG suggests that IPG's representation agreements may have been signed on IPG's behalf only after the filing of IPG's claims on July 31, 2000.

To be sure, the SDC would not raise an issue of signature authority in the absence of exceptional circumstances. But this case presents such exceptional circumstances. IPG has filed a false claim in this very proceeding, and has a history of filing “placeholder” claims – claims that are not authorized when filed, in the hope of later obtaining authority to pursue them. Moreover, IPG has a history of challenging the authority of its own purported signatories when it believes it to be in its best interest to do so. *See* SDC-P-011 (IPG reply brief in appeal challenging the authority of Marion Oshita, IPG’s former President and majority owner, to sign settlement agreements on IPG’s behalf). Accordingly, it is essential that IPG present evidence showing that it had valid representation agreements at the time it filed its claims, and that its purported signatories had the authority to sign on IPG’s behalf at the time the alleged agreements was supposedly signed. IPG has failed to make such a showing as to Feed the Children, Inc., Life Outreach International, and “Adventist Media Center Productions.” Claims on behalf of these three claimants must therefore be stricken or denied.

III. CONCLUSION

For the foregoing reasons and as will be set forth in a memorandum of law and in the hearing on claims issues, all of IPG’s claims should be stricken and IPG should be disqualified as an agent in these proceedings.

IV. REBUTTAL EVIDENCE

The following evidence is presented in support of this Written Rebuttal Statement on Claims Issues Only:

Testimony of Dr. William J. Brown

Declaration of Peter T. Vay

Declaration of Matthew J. MacLean

SDC-P-001	Cable Claim 434 (July 31, 2000)
SDC-P-002	Cable Claim 433 (July 31, 2000)
SDC-P-003	Information, <i>United States v. Galaz</i> , Crim. No. 02-230 (D.D.C. May 30, 2002)
SDC-P-004	Plea Agreement, <i>United States v. Galaz</i> , Crim. No. 02-230 (D.D.C. May 30, 2002)
SDC-P-005	United States Copyright Office, Victim Impact Statement, <i>United States v. Galaz</i> , Crim. No. 02-230 (D.D.C. Sep. 13, 2002)
SDC-P-006	Transcript of Sentencing, <i>United States v. Galaz</i> , Crim. No. 02-230 (D.D.C. Nov. 15, 2002)
SDC-P-007	Defendant's Reply Brief in Support of Motion for Clarification on Ruling or, Alternatively, Modification of Judgment, <i>United States v. Galaz</i> , Crim. No. 02-230 (D.D.C. Dec. 19, 2002)
SDC-P-008	Defendant's Additional Reply Brief in Support of Motion for Clarification on Ruling or, Alternatively, Modification of Judgment – Responding Directly to Amicus Brief of the Motion Picture Association of America, <i>United States v. Galaz</i> , Crim. No. 02-230 (D.D.C. Dec. 19, 2002)
SDC-P-009	IPG's Revised Responses to Document Requests of Settling Devotional Claimants Pursuant to Order of January 31, 2014 (Feb. 17, 2014)
SDC-P-010	Email of R. Galaz, Re: 1998 Cable Proceeding Appeal (Jan. 8, 2014)
SDC-P-011	Appellant's Reply Brief, <i>Independent Producers Group v. Librarian of Congress</i> , Case No. 13-1132 (D.C. Cir. Jan. 16, 2014)
SDC-P-012 (Under Seal)	"Finder's Fee" Agreement between IPG and Brewer, Brewer, Anthony & Middlebrook (June 7, 2000)
SDC-P-013	Tex. Comm. on Professional Ethics, Op. 536, V. 64 Tex. B.J. 7 (2001)

SDC-P-014	IPG-Represented Claimants, 2000-2003 Cable Distribution Proceedings (Phase II)
SDC-P-015	IPG's Second Amended More Specific Statement of 2004-2009 Cable Claims (Nov. 8, 2013)
SDC-P-016	IPG's Second Amended More Specific Statement of 1999-2009 Satellite Claims (Nov. 8, 2013)
SDC-P-017	Form 990 (1999) of Feed the Children, Inc.
SDC-P-018	Feed the Children trademark registrations
SDC-P-019	Settlement Agreement between IPG and MPAA (Mar. 31, 2004)
SDC-P-020	It Is Written, Inc.'s Amendment, <i>In the Matter of Claims to 1999 Cable Retransmission Royalties</i> , Docket Nos. 2001-8 CARP CD 98-99 and 2001-5 CARP SD 99 (May 13, 2004)
SDC-P-021	Copyright Catalog search results for Adventist Media Center Productions; Faith for Today, Inc.; It Is Written; and Breath of Life, Inc.
SDC-P-022	Application for Registration of Fictitious Name, Benny Hinn Ministries (Nov. 15, 2000)
SDC-P-023	Senate Finance Committee, Minority Staff Review of Eagle Mountain International Church d/b/a Kenneth Copeland Ministries
SDC-P-024	Senate Finance Committee, Minority Staff Review of World Changers Church International
SDC-P-025	CREFLO and Dr. Creflo A. Dollar trademark registrations
SDC-P-026	World Changers Church International, Inc., corporate family chart
SDC-P-027 (Under Seal)	Representation Agreement, IPG and "Creflo A. Dollar Ministeries [sic]"
SDC-P-028 (Under Seal)	Mandate Agreement, IPG and Feed The Children
SDC-P-029	Mandate Agreement, IPG and Life Outreach International

(Under Seal)

SDC-P-030
(Under Seal)

Mandate Agreement, IPG and “Adventist Media Center
Productions”

SDC-P-031

Decision, *Galaz v. Oshita*, Case Nos. B181278, B187428
(Cal. Ct. App., 2nd App. Dist., Div. 1 May 30, 2008)

SDC-P-032

E-mail from D. Joe, Subject: Letter to Barry Gottfried of
July 11, 2002 (July 15, 2002)

SDC-P-033

E-mail from D. Joe, Subject: Galaz vs. Oshita et al. (Oct. 4,
2004)

March 18, 2014

Respectfully submitted,



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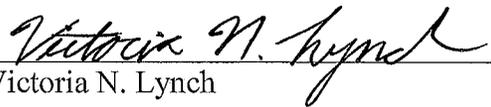
Counsel for Settling Devotional Claimants

CERTIFICATE OF SERVICE

I, Victoria N. Lynch, hereby certify that a copy of the foregoing was sent overnight delivery via Federal Express, this 18th day of March, 2014, to the following:

INDEPENDENT PRODUCERS GROUP

Brian D. Boydston
Pick & Boydston, LLP
10786 Le Conte Avenue
Los Angeles, CA 90024


Victoria N. Lynch

Testimony of Dr. William J. Brown

**Before the
COPYRIGHT ROYALTY JUDGES
Washington, DC**

In the Matter of)	
)	
Phase II Distribution of the 1998 and 1999 Cable Royalty Funds)	Docket No. 2008-1 CRB CD 1998-1999 (Phase II)
)	

Testimony of Dr. William J. Brown

I. Introduction

My name is Dr. William J. Brown. I am a Professor and Research Fellow at the School of Communication and the Arts at Regent University in Virginia Beach, Virginia, where I serve as Chair of the Department of Communications Studies and Chair of the Doctoral Program. I served as Dean of the College of Communication and Arts (1992-2002). I obtained my Doctorate in Philosophy in Communication Theory and Research in 1988 from the University of Southern California, and have been widely published in academic journals and books on many subjects, particularly those dealing with media and social behavior. I am also a partner in Brown Fraser & Associates, a research and consulting firm based in Chesapeake, VA. I have conducted more than 150 studies in more than 35 nations on religious television viewing. I have studied the content of many different kinds of religious television programs and am particularly qualified to examine the content of television programs and to determine the religious nature of such programs. I testified as an expert witness in the 2004-2005 Phase I Cable Copyright Royalty Distribution Proceeding and the 2000-2003 Phase II Cable Copyright Royalty Distribution Proceeding. My professional Curriculum Vita is attached as Exhibit 1.

I have been retained by the Settling Devotional Claimants (the "SDC") to testify in support of their challenge to the assertion by Independent Producers Group ("IPG") that the

television series *Feed the Children* is properly compensable in the “devotional claimant” category in the 1999 cable copyright royalty distribution proceeding.

II. *Feed the Children* is Not a Religious-themed Program

Over the course of my professional work studying programs produced by non-profit organizations, I have had familiarity with the television series, *Feed the Children*. This series features stories of children in need throughout the world. The program gained prominence by featuring public figures making emotional public appeals to help end starvation in underdeveloped countries, particularly Africa, Asia and Latin America, and also in the United States. Over the last several decades, I have had occasion to see episodes or portions of episodes of these shows, and in preparing my testimony for this proceeding, I reviewed recent video presentations on Feed the Children’s website and You Tube. Based on my review of the content of the programs, it is my professional opinion that *Feed the Children* is not a religious-themed or devotional program, and should not be compensated in this proceeding in the Devotional Claimants Category.

III. Factors for Identifying Religious Television Programs

Based on my 27 years of studying religious television programming, I can state that the academic and professional communities of television producers and scholars have accepted criteria for distinguishing between various genres of television programming. Three of these criteria are especially relevant for identifying a religious television program. The criteria are these:

First, the primary purpose of a religious television program is to focus the audience on their religious faith in God or some other form of deity, or an organized religion, or a religious

leader. By definition, religious services or televised ritualistic religious practices are identified as religious programming (Gaddy & Pritchard, 1985).¹

Second, religious programs convey some kind of religious doctrine or coded set of religious beliefs (Neundorf & Abelman, 1987).² These may emanate from a recognized religious denomination such as the Catholic Church, a synagogue of the American Reformed Jews, or The Mormon Church, or from organized groups of non-denominational religious believers such as non-denominational churches.

Third, religious television programming provides some kind of perceived religious benefit to the viewing audience. This benefit could be in the form of spiritual encouragement, religious teaching, taking prayer requests by phone or mail, praying for the needs of viewers, or providing religious materials for further study, growth, or spiritual nourishment (Abelman, 1987; Litman & Bamn, 1989; Neundorf & Abelman, 1989).³

IV. *Feed the Children* Does Not Meet the Criteria for Religious Programming

The programming content of *Feed the Children*'s television programs does not meet these necessary criteria, nor does it exhibit any of the characteristics of religious programs.

¹ Gary D. Gaddy and David Pritchard, "When Watching Religious TV is Like Attending Church." *Journal of Communication* 35, no.3 (March 1985): 123-131.

² Kimberly Neuendorf and Robert Abelman. "An Interaction Analysis of Religious Television Programming," *Review of Religious Research* 29, no. 2 (Dec. 1987):175-198; Barry R. Litman and Elizabeth Bamn. "The Viewership of Religious Television Programming: A Multidisciplinary Analysis of Televangelism. *Review of Religious Research* 30, no, 4 (June 1989): 329-344.

³ Robert Abelman, "Religious Television Uses and Gratifications," *Journal of Broadcasting and Electronic Media* 31, no. 3 (Summer 1987): 293-307, and Robert Abelman, "PTL Club Viewer Uses and Gratifications," *Communication Quarterly* 37, no. 1 (Winter 1989): 54-66.

First, the focus of the *Feed the Children* programs is not on faith in a God, or deity, or religion or religious leader. The focus is on providing humanitarian relief to children in needy areas of the world, both in the U.S. and overseas.

Second, *Feed the Children* programs do not teach a religious doctrine or body of religious beliefs. There is no theology explained in the programs. The message delivered – compassion for fellow human beings who are suffering hunger and malnutrition and financial support to organizations whose mission is to relieve that suffering – is a universal, human plea that is not tied to any specific religious text. Indeed, people are encouraged to be compassionate irrespective of their religious faith.

Third, *Feed the Children* programs do not provide a specifically religious benefit to the viewing audience. Instead, the programs ask the viewers to be the givers that they might provide food or goods to children in need.

V. *Feed the Children* was Founded by a Minister, A Fact That Has Confused Its Program Categorization

The only connection that *Feed the Children* has to religion is the fact that the non-profit organization that produces the television shows was founded by a minister, Larry Jones. In fact, because Reverend Jones (who has left the company) was associated with organizing the non-profit and appeared in episodes, many people simply assumed the program had a religious orientation. That would explain, for example, why television guides occasionally type the program as “religious.”

I am familiar with the Report of Household Viewing Hours from 1999 MPAA Copyright Royalty Data Base Showing Cable Viewing Data for 1999 (“HHVH Report”) on which the SDC rely in their proposed distribution methodology. The HHVH Report employs program title and type categorization by Tribune Media to identify programs. The Tribune data from which the

HHVH Report was prepared in some places identified *Feed the Children* as a “religious” program, which is why *Feed the Children* was included in the search results from which the HHVH Report was generated. However, a number of stations have also categorized the program differently, namely “other” (i.e. an infomercial). While these designations may have been used in organizing the vast numbers of program titles in the Tribune database, the designations do not resolve whether a specific program is “religious-themed” for copyright royalty purposes; only the actual program content does that.

Merely because an evangelical missionary forms a non-profit is not proof that the television programming produced by that entity is religious-themed content in general, or that the program qualifies as a devotional claimant category program in the copyright royalty distribution proceedings in particular. Indeed, the Phase I definitions establish that “devotional claimants” are defined as distributing “syndicated programs of a primarily religious theme, not limited to those produced by or for religious institutions.” *See* Exhibit 2 at 2. As the definition demonstrates, it is the content of the program, and not the nature of the producer, that determines whether the program is religious-themed. In the case of *Feed the Children*, it clearly is not religious-themed.

VI. *Feed The Children* is a Classic Fundraising Infomercial for Humanitarian Relief

In light of the mission statement of Feed The Children, Inc. described in its IRS Form 990 filings and on its website, its television and video programming is a classic fundraising infomercial. Infomercials are now a standard tool of non-profit organizations’ planned giving campaigns.⁴ Scholarly study of the fundraising efforts of *Feed the Children* and similar

⁴William Samers and Elizabeth Fisher. *Increasing Your Campaign: How to Create*

nonprofit organizations indicates the appeal of their programming content is primarily humanitarian, not religious. In their 2004 study of donors to *Feed the Children* and nine similar organizations, Eckel and Grossman's research reveals no difference whatsoever in the amount of giving between religious and nonreligious people.⁵ Their experimental study shows religious faith had no statistical influence on the level of giving to *Feed the Children*, reinforcing the fact that their programming appeal is humanitarian, not religious.

VII. Conclusion

One of the tasks of the Judges in this proceeding is to make sure that royalties paid to devotional claimants is for religious television programming. I conclude that the infomercials produced by *Feed the Children* for fundraising purposes are not religious television programs; therefore, IPG's claim that *Feed the Children* is a devotional program should be denied and the SDC motion granted.

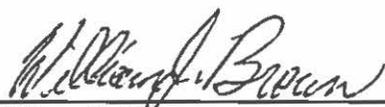
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⁵ Catherine C. Eckel and Philip J. Grossman. "Giving to Secular Causes by the Religious and Nonreligious: An Experimental Test of the Responsiveness of Giving Subsidies. *Nonprofit and Voluntary Sector Quarterly* 33 (month): 271-289.

DECLARATION

I, William J. Brown, declare under penalty of perjury, that the foregoing is true and correct.



William J. Brown

Dated March 14, 2014

EXHIBIT 1

Curriculum Vitae

Dr. William J. Brown

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Brief Biography

Dr. William J. Brown is Professor and Research Fellow in the School of Communication and the Arts at Regent University in Virginia Beach, Virginia (2003-present). He served as Dean of the College of Communication and the Arts at Regent University from 1992-2002. Dr. Brown received his Bachelor of Science Degree in Environmental Science from Purdue University, his Masters Degree in Communication Management from the Annenberg School of Communication at the University of Southern California in Los Angeles, and his Masters and Doctor of Philosophy Degrees in Communication, also from the University of Southern California. His academic research interests include media effects, entertainment-education for social change, celebrities and social influence. Dr. Brown has taught communication at the University of Southern California, the University of Hawaii, University of the Nations in Kona, Hawaii, and Regent University. His favorite courses include doctoral research methods, entertainment-education for social change, intercultural communication, and communication campaigns.

Dr. Brown is also a partner and consultant of Brown, Fraser & Associates, a communication research and consulting firm in Chesapeake, Virginia. He and his colleague, Dr. Benson Fraser, have conducted more than 100 national media studies in more than 35 countries. Dr. Brown and his wife, Nancy, lived in Hong Kong for five years and travel extensively in Europe, Asia, and Africa to continue their work with non-profit organizations. In 2008, Dr. Brown was a visiting scholar for four months to the Center for Media and Health and the Netherlands Entertainment-Education Foundation. In 2009, Dr. Brown returned to the Netherlands for one-month as a Fulbright Senior Specialist. In 2011, Dr. Brown was given a second Fulbright Specialist Award to Norway, where he worked with several universities and provided consultation to a non-profit organization seeking to produce an entertainment-education film on one of Norway's historic reformers.

EDUCATION

- Ph.D. Doctor of Philosophy, Communication Theory and Research, August 1988.
Department of Communication Arts and Sciences
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- Dissertation Effects of "Hum Log," a Television Soap Opera, on Prosocial Beliefs in India.
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- Thesis Communication Technology in Third World Contexts: Lessons from two Case Studies in Asia
- B.S. Bachelor of Science, Natural Resources Environmental Science, May 1978
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EXPERIENCE

- July 2007 to Professor and Research Fellow
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- Aug., 1988 Assistant Professor
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- Jan. 1987 Assistant Lecturer
to May 1988 Dept. of Communication Arts & Sciences
University of Southern California
Los Angeles, California
- Dec. 1987 Research Project Staff, U.S. and India
to Aug. 1988 Rockefeller Foundation Research Project
Entitled: "Effects of "Hum Log" on Women's
Status and Fertility in India"
- Dec. 1986 Administrative Project Coordinator
to Jan. 1987 Tribute Productions; Word, Inc.
YWAM Hong Kong Limited, Hong Kong
- July 1981 Communications Coordinator
to Aug. 1985 YWAM Hong Kong Limited, Hong Kong
- Jan. 1980 Administrative Assistant
to Aug. 1981 Academy of Performing Arts
University of the Nations
Cambridge, Ontario, Canada
- Nov. 1979 Research Assistant and Writer
to Mar. 1980 Department of Entomology
Purdue University, West Lafayette, IN.
- Jan. 1979 Private Language Tutor
Oct. 1979 Susupe, Saipan
Central Marianas Islands, U.S.A.

- Dec. 1978 Communications Assistant
to Dec. 1979 YWAM Guam and Saipan, Inc.
 Central Marianas Islands, U.S.A.
- May 1977 Photo-Interpreter and Computer Operator
to May 1978 Laboratory Applications for Remote Sensing
 Purdue University Research Park
- Sept. 1976 Feature Writer
to April 1977 *Purdue Exponent* (circulation 35,000)

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Refereed Journals

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- Hill, R. W., & Brown, W. J. (2011). Increasing organizational commitment in non-profit organizations: The role of vision. In F. Gandolfi (Ed.), *Foundations of contemporary leadership* (pp. 303-320). Saarbrücken, Germany: Lambert Academic Publishing.
- Brown, W. J., & Fraser, B. P. (2008). Global identification with celebrity heroes. In S. Drucker & G. Gumpert (Eds.), *Heroes in a Global World* (pp. 47-65). Cresskill, NJ: Hampton Press.
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- Fraser, B. P., & Brown, W. J. (2006). PETA's "Got Beer?" campaign brews up an ethical controversy. In M. Land & B. Hornaday (Eds.), *Contemporary media ethics: A practical guide for students, scholars, and professionals* (pp. 333-348). Spokane, WA: Marquette Books.
- Basil, M. D., & Brown, W. J. (2004). Magic Johnson and Mark McGwire: The power of identification with sports celebrities. In L. R. Kahle & C. Riley (Ed.), *Sports Marketing and the Psychology of Marketing Communication* (pp. 159-174). Mahwah, NJ: Lawrence Erlbaum Associates, Inc.
- Brown, W. J., & Fraser, B. P. (2004). Celebrity identification in entertainment-education. In A. Singhal, M. J. Cody, E.M. Rogers, & M. Sabido (Eds.), *Entertainment-education and social change: History, research, and practice* (pp. 97-116). Mahwah, NJ: Lawrence Erlbaum Associates, Inc.
- Brown, W. J., Bocarnea, M. C., & Basil, M.D. (2002). Initial Public Responses to September 11. In B. Greenberg (Ed.), *Communication and Terrorism*. Hampton Press.
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- Keeler, J., Fraser, B. P., & Brown, W. J. (1999). How promise keepers see themselves as men behaving goodly. In D. S. Claussen (Ed.), *Standing on the promises* (75-88). Cleveland, OH: The Pilgrim Press.
- Brown, W. J., & Singhal, A. (1999). Entertainment-education strategies for social change. In D. P. Demers and K. Viswanath (Eds.), *Mass media, social control and social change* (263-280). Ames, Iowa: Iowa State University Press.
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- Brown, W. J., & Singhal, A. (1995). Influencing the character of American television: Ethical dilemmas of prosocial programming. In D. E. Eberly (Ed.), *The content of America's character: Recovering civic virtue* (pp. 333-345). Lanham, MD: University Press of America, Inc.
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Books

- Brown, W. J. (2013). *Sweeter than honey: Harnessing the power of entertainment*. Amazon Kindle and Nook Press.

Brown, W. Joseph (2005). *Into the winds of fear*. Baltimore, MD: Publish America.

Brown, W. J. (2008). *Confessions from Italy: Journey of a research fellow*. Mansfield, Ohio: Book Masters, Inc.

Encyclopedia Articles

Brown, William J. (in press). Celebrity endorsement and public health. In T. L. Thompson (Ed.), *Encyclopedia of Health Communication*. Thousand Oaks, CA: Sage Publications.

Brown, William J. (in press). Mobilizing disaster relief through strategic communication. In T. L. Thompson (Ed.), *Encyclopedia of Health Communication*. Thousand Oaks, CA: Sage Publications.

Other Articles

Brown, W. J. (2010). The Church, the arts, and cultural transformation *Connections: The Journal of the WEA Mission Commission*, issue number and page numbers in press.

Brown, W. J. (2002, August). Captivated by stories. *The Creative Spirit*, 2(1), 14.

Brown, W. J., & Fraser, B. P. (2001). Using mass media to penetrate cultures for evangelism. In W. W. Conrad (Ed.), *The Mission of an Evangelist*. Minneapolis, MN: Worldwide Publications.

Brown, W. J., & Fraser, B. P. (2001, January). Hip-hop culture and the church. *Christianity Today*, 45, 48-54.

Henrich, D., Brown, W. J., & Fraser, B. P. (1997, February-March). AD 2000. *Religious Broadcasting*, p. 92.

Singhal, A. & Brown, W. J. (1995). Entertainment-education: Looking backward and looking forward. *CommDev News*, 6(2), 1-5.

Book Reviews

Brown, W. J. (2009). Review of *Strong religion, zealous media*. *PNEUMA: The Journal of the Society for Pentecostal Studies*, 30, 291-292.

Brown, W. J. (2007). Review of *Two Aspirins and a comedy: How television can enhance health and society*. *Journal of Communication*, 57, 609-611.

Doctoral Dissertation

Brown, W. J. (1988). Effects of "*Hum Log*," a television soap opera, on prosocial beliefs in India. *Dissertation Abstracts International*, 50, 01A, 20.

Masters' Thesis

Brown, W. J. (1986). *Communication technology in Third World contexts: Lessons from two case studies in Asia*. Los Angeles, CA: University of Southern California.

Academic Conference Papers and Presentations

Brown, W. J., Fraser, B. P., & Lindvall, T. (2014). Promoting global advocacy through global communication networks: Lessons Learned from the Kony 2012 Campaign. Paper accepted for presentation to the International Communication Association, May 22-26, Seattle, Washington.

Brown, W. J., Lindvall, T., & Pittman, M. (2013). *Encomium Colbert: Connecting Stephen Colbert to Erasmic Catholicism*. Paper to be presented to the Religious Communication Association, November 20, Washington, D.C.

Hurtado, D., & Brown, W. J. (2012). *Exploring audience involvement in a transmedia enterprise: Lewis' Chronicles of Narnia*. Paper presented to the National Communication Association, November 14-17. Orlando, Florida

Crawford, K., & Brown, W. J. (2012). Beyond partisan spaces: Analyzing redemptive experiences, parasocial interaction and media sensation in *The Shack* book blogs. Paper presented to the National Communication Association, November 14-17. Orlando, Florida

Lindvall, T. R., Brown, W. J., & Fraser, B. P. (2012). *Hollywood, teach us to pray: A content analysis of feature film portrayals of prayer as models for spirituality*. Paper presented to the Popular Culture Association, April 11-14, Boston, MA.

Brown, W. J., & Argo, H. (2011). *Social networking sites and spirituality*. Paper presented to the Faith and Communication Conference, Campbell University, March 23-24, Buies Creek, NC.

Amakye, A., & Brown, W. J. (2011). *Gender, race and online discussion by Americans of African women in an international news story*. Paper presented to the National Communication Association, November 15-19, New Orleans.

- Brown, W. J. (2011). Assessing Processes of Relational Involvement with Media Personas: Transportation, Parasocial Interaction, Identification and Worship. Paper presented to the National Communication Association, November 15-19, New Orleans.
- Fraser, B. P., & Brown, W. J. (2011). *C. S. Lewis and Flannery O'Connor's contribution to the art of indirect communication*. Paper presented to the Annual Meeting of the Religious Communication Association, November 14-15, New Orleans.
- Bouman, M. P., & Brown, W. J. (2011). Facilitating a transcultural approach to entertainment-education and health promotion: A model for collaboration. Paper to be presented to the Annual Conference of the International Communication Association, May 26-31, Boston.
- Sherring, V. A., & Brown, W. J. (2011). Exploring women's identity and social change through soap operas: A study of two prosocial television serials in India. Paper to be presented to the Annual Conference of the International Communication Association, May 26-31, Boston.
- Brown, W. J., Fraser, B. P., & Lindvall, T. R. (2011). *Does it have to bleed to lead, and if so, who is bleeding? Portrayals of crime and minorities on local television news*. Paper presented to the Campbell University Conference on Faith and Communication, April 1-2, 2011.
- Brown, W. J., & Fraser, B. P. (2010). *Operation Blessings' response to the earthquake in Haiti*. Paper presented to the Religious Communication Association, Nov. 14-17, San Francisco.
- Campbell, D. S., & Brown, W. J. (2010). *Assessing effects of pre-trial publicity through agenda-setting and framing*. Paper presented to the Communication and Law Division of the National Communication Association, Nov. 14-17, San Francisco.
- Brown, W. J., & Strong, D. A. (2010). Effects of an Indian-produced prosocial children's television programme in Nepal. Paper presented to the International Communication Association, June 22-26, Singapore.
- Bae, Hyuhn-Suhck, Brown, W. J., & Kang, S. (2010). Social influence of a religious hero: The late Cardinal Stephen Kim Sou-hwan's impact on cornea donation and Volunteerism. Paper presented to the International Communication Association, June 22-26, Singapore.

- Buenting, D. K., & Brown, W. J. (2009). *Exploring audience involvement with Yellow Card and its promotion of sexual responsibility among African youth*. Paper presented to the International and Intercultural Communication Division of the National Communication Association for presentation at the 95th annual convention, Nov. 12-15.
- Huckstep, S. L. (2009). *The print news media's framing of poverty following Hurricane Katrina*. Paper presented to the Mass Communication Division of the National Communication Association for presentation at the 95th annual convention, Nov. 12-15.
- Brown, W. J. (2009). Intercultural collaboration and creative process in entertainment-education productions. Paper presented to the National Communication Association's summer conference on Intercultural Dialogue in Istanbul, July 22-26.
- Bouman, M.P.A., & Brown, W. J. (2009). Creative processes for health communication: Entertainment-education collaboration. Paper presented to the Health Communication Division of the International Communication Association at the annual meeting, May 21-25.
- Brown, W. J., Barker, G., & Presnell, K. K. (2008). *The social impact of mediated celebrities: Cognitive and emotional responses to the death of Dale Earnhardt*. Paper presented to National Communication Association's Annual Conference, San Diego, California.
- Strong, D. A., & Brown, W. J. (2008). Effects of a children's entertainment-education television program in Nepal on beliefs and behavior toward people with disabilities. Top Paper award, Disabilities Interest Group, presented to the National Communication Association's Annual Conference, Nov. 20-24, San Diego, California.
- Brown, W. J., & de Matviuk, M.A.C. (2007). *The social influence of a sports' celebrity: The case of Diego Maradona*. Competitive paper to be presented to the annual conference of the National Communication Association, Chicago, Nov. 15-18, 2007.
- Brown, W. J., Keeler, J., & Pfeiffer (2007). *The uses of YouTube among religious on-line media consumers*. Research presented to the annual conference of the Religious Communication Association, Chicago, Nov. 15-18, 2007.
- Brown, W. J. (2007). *The Use of entertainment-education for social change: Examples from around the World*. Presentation to the Virginia Association of Communication Arts and Sciences, October 19-20, Virginia Beach, VA
- Brown, W. J., & Fraser, B. P. (2007). Mediated Involvement with a Celebrity Hero: Responses to the Tragic Death of Steve Irwin. Competitive paper presented to the International Communication Association, May 24-29, San Francisco.

- Legg, K., Bacon, C., Fraser, B. P., Brown, W. J., & Kiruswa, S. L. (2007). *Visual study of the Maasai through digital photography*. Competitive paper presented to the Visual Studies Division of the International Communication Association at the annual conference, San Francisco, May 24-28, 2007.
- Brown, W. J., & Pfeiffer, M. (2006). *Mediated involvement with a celebrity hero: Responding to the death of Pope John Paul II*. Competitive paper presented to the 92nd annual convention of the National Communication Association, November 16-19, San Antonio, TX.
- Brown, W. J., & Fraser, B. P. (2006). *Utilitarian and communitarian ethical approaches to HIV/AIDS prevention in sub-saharan Africa*. Competitive paper presented to the annual conference of the African Studies Association, November 15-18, San Francisco, CA.
- Barker, G., & Brown, W. J. (2006). Cultural Influences on the News: Portrayals of the Iraq War by Swedish and American Media. Competitive paper presented to the Annual Conference of the International Communication Association, June 19-23, Dresden, Germany.
- Brown, W. J., Kiruswa, S. L., & Fraser, B. P. (2005). Promoting HIV/AIDS Prevention among the Military in Kenya. Competitive paper presented to the Annual Meeting of the International Communication Association, May 26-30, New York, N.Y.
- Keeler, J., & Brown, W. J. (2004). Assessing the Impact of *The Passion of the Christ*. Competitive paper presented to the Annual Conference of the National Communication Association, November 12-15, Chicago.
- Brown, W. J., Keeler, J., & Shen, J. (2004). Audience Responses to *The Passion of the Christ*. Competitive paper presented to the Annual Conference of the Society for the Scientific Study of Religion, October 22-24, Kansas City.
- Brown, W. J., Fraser, B. P., & Kiruswa, S. (2004). *Promoting HIV/AIDS prevention through dramatic film: Lessons from Tanzania and Kenya*. Competitive paper presented to the Fourth International Conference on Entertainment-Education for Social Change, September 25-30, Cape Town, South Africa.
- Brown, W. J., & Fraser, B. P. (2004). *Turning celebrity capital into political influence: Lessons From Schwarzenegger's Gubernatorial Election in California*. Competitive paper presented to the Political Communication Division at the 54th Annual Conference of the International Communication Association, May 27-31, New Orleans.
- Welch, S. R., & Brown, W. J. (2004). *Post-September 11th Perceptions of Islam and the Spiral of Silence*. Competitive paper presented to the Mass Communication Division at the 54th Annual Conference of the International Communication Association, May 27-31, New

Orleans.

- Smith, M. R., & Brown, W. J. (2004). *World Magazine's* news coverage and news agenda setting. Competitive paper presented to the Campbell University Conference on Faith and Communication, May 15, Buies Creek, North Carolina.
- Brown, W. J., Fraser, B. P., & Kiruswa, S. L. (2003). *Identification as a Process of Social Change: Audience Responses to Heroes and Celebrities*. Competitive paper presented to the Rhetorical and Communication Theory Division of the National Communication Association at the 89th Annual Meeting, November 19-23, Miami.
- Brown, W. J., Fraser, B. P., & Kiruswa, S. (2003). *Promoting HIV/AIDS Prevention through Entertainment-Education: Film Intervention in the Tanzanian Military*. Competitive paper presented to the Mass Communication Division of the National Communication Association at the 89th Annual Meeting, November 19-23, Miami.
- Keeler, J., & Brown, W. J. (2003). *Who do they Trust about Religion in a Mediated World: Are Celebrities Shaping Religious Beliefs and Practices?* Competitive paper presented to the Annual Conference of the Society for the Scientific Study of Religion, October 24-26, Norfolk, VA.
- Brown, W. J., Fraser, B. P. (2003). *Exploring the boundaries of heroes, celebrities and role models after 9/11: Lessons from Shanksville*. Competitive paper presented to the Mass Communication Division of the International Communication Association's annual conference, May 24-27, San Diego, CA.
- Brown, W. J., Fraser, B. P. (2003). *Diffusing global culture through celebrity identification*. Competitive paper presented to the World Communication Association's biennial Conference, July 21-14, Stockholm, Sweden.
- Brown, W. J., Fraser, B. P., Kiruswa, S., & Bocarnea, M. C. (2002). *Promoting HIV/AIDS prevention through soap operas: Tanzania's experience with "Maisha."* Competitive paper presented at the annual meeting of the International Communication Association, July 15-19, Seoul, Korea.
- Brown, W. J., & Fraser, B. P. (2001). *Transnational Celebrity Identification*. Competitive paper presented at the 16th biennial conference of the World Communication Association, July 1-5, Santander, Spain.
- Brown, W. J., Fraser, B. P., & Bocarnea, M. (2001, May). *Identification with mediated celebrities: Remembering John F. Kennedy, Jr.* Competitive paper presented to the International Communication Association's annual conference, May 24-28, Washington, D.C.

- Edwards, R. W. C. L., Reynolds, R. A., & Brown, W. J. (2000, October). *An intercultural Comparison of two styles of parental communication: American and Chinese*. Competitive paper submitted to the International Communication Association's annual conference, May 24-28, Washington, D.C.
- Brown, W. J., & Fraser, B. P. (2001). *Star light star bright: The potential of celebrity identification for entertainment-education*. Competitive paper presented to the Third Entertainment-Education for Social Change Conference, The Netherlands, September 17-24, 2000.
- Wales, L., & Brown, W. J. (2000, August). *Predicting box office receipts from film reviews and MPAA ratings*. Competitive paper presented to annual conference of the University Film and Video Association, Colorado Springs, CO, August 2000.
- Bocarnea, M. C., Brown, W. J., & Fraser, B. F. (2000, July). *Communist mythopoeia: Romania doctrinal documents on edifying the new man*. Competitive paper presented to Rochester Intercultural Conference, Rochester, N.Y., July 20-22, 2000.
- Martin, G., Reynolds, R. A., & Brown, W. J. (1999, November). *Individualism and Collectivism As Predictors of Functional Roles and Communicator Style of Individual Members of Multicultural Teams*. Competitive paper to be presented to the 85th National Conference of the National Communication Association, Chicago, November 4-7, 1999.
- Lindvall, T. R., Brown, W. J., & Fraser, B. P. (1999, November). *A Holy Critique: Examining Visual Translations of the Bible*. Competitive paper to be presented to the 85th National Conference of the National Communication Association, Chicago, November 4-7, 1999.
- Brown, W. J., Basil, M. D., & Bocarnea, M. C. (1999, May). *Involvement with an American Role model: Mark McGwire's influence on public opinion toward two health issues*. Competitive paper presented to the 49th Annual Conference of the International Communication Association, May 27-31, San Francisco.
- Basil, M. D., & Brown, W. J. (1999, May). *A comparative analysis of multiple data sets of identification with Princess Diana: When student samples are acceptable*. Competitive paper presented to the 49th Annual Conference of the International Communication Association, May 27-31, San Francisco.
- Brown, W. J., Basil, M. D., & Bocarnea, M. C. (1998, July). *Responding to the death of Princess Diana: Audience involvement with an international celebrity*. Competitive paper presented to the 48th Annual Conference of the International Communication Association, July 20-24, Jerusalem.

- Keeler, J., Brown, W. J., & Elser, G. (1998, July). *Attitudes and behavior regarding religious expression in the workplace: Legal issues and implications for managers*. Competitive paper presented to the 48th Annual Conference of the International Communication Association, July 20-24, Jerusalem.
- Fraser, B. P., & Brown, W. J. (1998, July). *Cross-cultural celebrity appeal: Lessons From Elvis Presley impersonators*. Competitive paper presented to the summer conference of the National Communication Association and International Communication Association, July 15-18, Rome.
- Brown, W. J., Fraser, B. P., & Bocarnea, M. (1997, May). *Media coverage of court cases and effects on the public: Audience responses to O.J. Simpson's criminal trial*. Competitive paper presented to the 47th annual conference of the International Communication Association, Montreal, May 23-27.
- Brown, W. J., & Fraser, B. P. (1997). *The diffusion of "Superbook": One of the world's most popular entertainment-education series*. Competitive paper presented to the 47th annual conference of the International Communication Association, Montreal, May 23-27.
- Singhal, A., & Brown, W. J. (1997, May). *Entertainment-education: Where has it been? Where is it going?* Competitive paper presented to the second conference on Entertainment-Education for Social Change, Athens, Ohio, May 7-9.
- Piper, D. P., Keeler, J., & Brown, W. J. (1997, April). *Audience involvement with "Touched by an Angel."* Competitive paper presented to the 42nd annual convention of the Broadcast Education Association, Las Vegas, April 4-7.
- Bocarnea, M. C., Fraser, B. P., & Brown, W. J. (1996). *Portrayals of post-communist Romania in United States' newsCompetitive papers and magazines*. Competitive paper presented to the Global Communication Conference, Rochester, N.Y., July 1996.
- Brown, William J., & Fraser, B. P. (1995). *Public perceptions of negative political campaigns: Responses to the 1994 Virginia senate race*. Competitive paper presented at the World Communication Association's 13th biennial conference, July 23-27, Vancouver, B.C.
- Fraser, B. P., & Brown, W. J. (1995). *An analysis of daytime television talk shows*. Competitive paper presented at the World Communication Association's 13th biennial conference, July 23-27, Vancouver, B.C.
- Brown, W. J., & Fraser, B. P. (1995). *Effects of media coverage of the O.J. Simpson Trial on Beliefs about the Legal System*. Competitive paper to be presented to the Communication Law and Policy Group of the International Communication Association, Albuquerque, May 27-31.

- Gilmore, K., & Brown, W. J. (1995). *White House Spin Doctors and Media Watchdogs: David Gergen's Presidential Communication*. Competitive paper to be presented to the Political Communication Division of the International Communication Association, Albuquerque, May 27-31.
- Singhal, A., & Brown, W. J. (1995). *Entertainment-education: Where it's been, where it is, and where it should go in the future*. Competitive paper to be presented to the Intercultural and Development Communication Division of the International Communication Association, Albuquerque, May 27-31.
- Brown, W. J., Fraser, B. P., & Bocarnea, M. C. (1994). *The agenda-setting effects of media coverage of the O.J. Simpson trial*. Competitive paper presented to the Western States Communication Association, Portland, February 11-14.
- Babb, V., & Brown, W. J. (1994). *"Adolescents' development of parasocial relationships through popular television situation comedies"*. Competitive paper to be presented to the 44th Annual Conference of the International Communication Association, Sydney, July 11-15.
- Basil, M. D., & Brown, W. J. (1994). *A critical test of the impersonal versus differential impact hypothesis on concern about AIDS*. Competitive paper (top 3 ranking) presented to the 44th Annual Conference of the International Communication Association, Sydney, July 11-15.
- Brown, W. J. (1994). *Lessons learned about the entertainment-education strategy at home and abroad*. Competitive paper presented to the Southern States Communication Association, April 6-9, Norfolk, Virginia.
- Brown, W. J., & Fraser, B. P. (1993). *A comparative analysis of the uses and impact of daytime television talk shows on religious television viewers*. Competitive paper presented to the Annual Conference of the Society for the Scientific Study of Religion, October 28-31, 1993, Raleigh, N.C.
- Fraser, B. P., & Brown, W. J. (1993). *Religious research and agenda-setting: Issues of public concern*. Competitive paper presented to the Annual Meeting of the Religious Research Association, October 28-31, 1993, Raleigh, NC.
- Brown, W. J. (1993). *Media and its impact on race relations*. Competitive paper presented to the World Communication Association, July 26-31, Pretoria, Republic of South Africa.
- Brown, W. J., & Fraser, B. P. (1993). *A comparative analysis of audience involvement with "The 700 Club" and other daytime television talk shows*. Competitive paper presented to the 3rd Christianity and Communication Conference, June 2-4, Virginia Beach, VA.

- Brown, W. J., & Basil, M. D. (1993). *Impact of the "Magic" Johnson news story on AIDS prevention*. Competitive paper presented to the International Communication Association, 43rd Annual Conference, May 27-31, Washington, D.C.
- Singelis, T. M., & Brown, W. J. (1993). *Collectivist communication behavior and concepts of self: An individual-level analysis*. Competitive paper presented to the International Communication Association, 43rd Annual Conference, May 27-31, Washington, D.C.
- Singhal, A., Rogers, E. M., & Brown, W. J. (1992). *Entertainment telenovelas for development: Lessons learned about creation and implementation*. Competitive paper presented to the International Association for Mass Communication Research, August 16-21, Sao Paulo, Brazil.
- Basil, M. D., Brown, W. J., & Hariguchi, G. (1992). *Interpersonal communication in news diffusion: A study of "Magic" Johnson's announcement*. Competitive paper presented to the Association for Education in Journalism and Mass Communication, August 5-8, Montreal.
- Brown, W. J., & Basil, M. D. (1992). *Celebrity appeal for AIDS prevention: Lessons for Japan from the U.S. news media*. Competitive paper presented to the Communication Association of Japan, June 27-28, Tokyo.
- Brown, W. J., & Singhal, A. (1992). *Entertainment-education media: Strategies Lessons for Japan from the U.S. news media*. Competitive paper presented to the Communication Association of Japan, June 27-28, Tokyo.
- Reynolds, J. L., & Brown, W. J. (1992). *An impression management theory perspective on verbal aggression strategies*. Competitive paper presented at the 62nd Annual Conference of the Western States Communication Association, February 21-24, Boise, Idaho.
- Brown, W. J., & Facciola, P. C. (1991). *Effects of media coverage on public attitudes and beliefs of the Persian Gulf War*. Competitive paper presented at the seventy-seventh Annual Conference of the Speech Communication Association, Oct. 31-Nov. 3, Atlanta.
- Brown, W. (1991). *Effects of an AIDS communication campaign on attitudes, beliefs, and communication behavior*. Competitive paper presented at the 41st Annual Conference of the International Communication Association, May 23-27, Chicago.
- Brown, W. J., & Cody, M. J. (1990). *Promoting women's status through a television soap opera: Effects of "Hum Log" in India*. Competitive paper presented at the 76th Annual Meeting of the Speech Communication Association, November 1-4, 1990, Chicago.

- Brown, W. J., & Singhal, A. (1990). *Ethical dilemmas of prosocial television*. Competitive paper to be presented at the 40th Annual Conference of the International Communication Association, June 24-29, 1990, Dublin, Ireland.
- Brown, W. J. (1989). *The role of entertainment television for development*. Competitive paper presented at the 39th Annual Conference of the International Communication Association, May 25-29, 1989, San Francisco, CA.
- Brown, W. J. (1988). *U.S. foreign policy with Iran: Portrayals by American news papers and the Tower Commission Report*. Competitive paper presented at the 38th Annual Conference of the International Communication Association, May 29-June 2, 1989, New Orleans, LA.
- Brown, W. J. (1987). *What makes's terrorist rhetoric compelling?* Competitive paper presented at the 57th Annual Conference of the Western Speech Communication Association, February 17-21, San Diego, CA.
- Brown, W. J. (1987). *Cultural context and national development in Japanese-American relations*. Competitive paper presented at the Communication Association of Japan's 17th Annual Conference, Tokyo, June 1987.
- Brown, W. J. (1987). *Mediated communication flows during a terrorist event: The TWA Flight 847 hijacking*. Competitive paper presented to the 37th annual conference of the International Communication Association, May 21-25, 1987, Montreal.

AWARDS AND MERITS

- Fulbright Specialist, Norway, October, 2011
- Fulbright Specialist, the Netherlands, April-May, 2009
- Fulbright Specialist Program nominee (five-year recognition), August 2007
- Fulbright Fellowship nomination by the Fulbright Commission, November 2006
- Fulbright Fellowship nomination by the Fulbright Commission, November 2004
- The Chancellor's Award, 2003, Regent University
- Who's Who in American Education, 1992 to present.
- Faculty Fellow, Aug-Dec, 1989, Center for Arts & Humanities at the University of Hawaii
- Awarded a research fellowship, University of Hawaii, to conduct HIV/AIDS prevention research.
- Distinguished Student, 1975, 1976, 1977, and 1978, Purdue University, West Lafayette, Indiana.
- Who's Who in American High Schools, 1974.
- Distinguished Honor Student, 1970-1974: Watertown High School, Watertown, Massachusetts.

RESEARCH AND PRODUCTION GRANTS

- 2013: Part of a teaching and research team in the School of Communication and the Arts awarded \$170,000 by three foundations for the education and training of media professionals working in ministry endeavors in traditionally Islamic nations.
- 2008: Awarded \$5,000 from Regent University to study the use of entertainment television to promote social change in Nepal.
- 2007: Awarded \$8,505 from Regent University to study and teach the use of entertainment-education for social change at the Netherlands Entertainment-Education Foundation in the spring and summer of 2008.
- 2004: Awarded \$7,600 from Regent University to study role of the religious organizations internationally in promoting HIV/AIDS prevention.
- 2003: Awarded \$2,564 from Regent University to study the use of new communication technology by churches internationally.
- 2002: Awarded \$258,000 from the Department of Defense to produce and study the effects of an HIV/AIDS prevention film in Kenya for the Kenyan military.
- 2002: Awarded a \$13,800 supplemental grant from the U.S. Department of Defense to complete editing and distribution of *Ukimwi: Adui Aliyefificha*, an HIV/AIDS prevention film.
- 2002: Awarded \$14,850 from the Department of Defense to produce a Sawahili version of “*AIDS: The Hidden Enemy*,” an HIV/AIDS prevention film for the Tanzanian Military.
- 2002: Awarded a \$700,000 grant with three other faculty members from the Newington-Cropsey Foundation in New York to produce and study the effects of an entertainment-education film to increase awareness of the role of divine inspiration in artistic creativity.
- 2001: Awarded \$109,940 from the Department of Defense to produce and study the effects of *AIDS: The Hidden Enemy*, an HIV/AIDS prevention film for the Tanzanian Military.
- 2000: Received a \$1,600 grant from Regent University with Tim Wright to study the effects of live theater on changing spiritual values, beliefs and behavior.
- 1996: Awarded \$2,500 from Regent University to develop a multimedia script for CD-ROM development and for teaching CD-ROM scriptwriting in cinema-television-theatre program.
- 1993: Awarded \$2,500 from Regent University and \$2,500 from CBN, Inc. to study the diffusion of the animated television series "Superbook" in Eastern Europe and the former Soviet Union.

- 1992: Awarded a \$375.00 grant from the Center for Arts & Humanities to analyze the effects of Magic Johnson's AIDS prevention messages on the attitudes, beliefs, and behaviors of young-adult heterosexuals.
- 1990: Awarded a \$500.00 grant from the Spark M. Matsunaga Institute of Peace for the study of the media's coverage of the Persian Gulf War.
- 1989: Awarded a \$3,100.00 research grant from the University of Hawaii's Research Council to conduct research on the effects of cultural training programs on Hawaii's hotel industry.
- 1987: Awarded a \$29,925.00 research grant by the Rockefeller Foundation with two other faculty members and another doctoral student at the University of Southern California to study the effects of a television program in India.

INTERNATIONAL EXPERIENCE

- Visiting Professor, KDEC, Cairo, Egypt, Regent University's Transformational Media Lecture Series, January 2014.
- Visiting Professor, Ludwig Maximilian University of Munich, Guest lectures on Celebrity Influence on Political Campaigns and on Celebrity Research. December 2013.
- Visiting Professor, Regent University's Transformational Media Workshop at the Continental Theological Seminary, Brussels, Belgium, July 2013.
- Regent University's C.S. Lewis and Communication course at Oxford University, United Kingdom, July 2013.
- Visiting lecturer to Longido Community Integrated Programs, Arusha, Tanzania, July 2012.
- Regent University's C.S. Lewis and Communication course at Oxford University, United Kingdom, July 2012.
- Visiting Fulbright Specialist to Volda University, Volda, Norway, October 2011.
- Regent University's C.S. Lewis and Communication course at Oxford University, United Kingdom, July 2011.
- Visiting Fulbright Senior Specialist to the Centre for Media & Health in Gouda, the Netherlands, April-May, 2009
- Regent University's C.S. Lewis and Communication course at Oxford University, United Kingdom, July 2009.
- Regent University's C.S. Lewis and Communication course at Oxford University, United Kingdom, July 2008.
- Visiting scholar to the Netherlands Entertainment-Education Foundation in Gouda, the Netherlands, March-July, 2008.
- Regent University's C.S. Lewis and Communication course at Oxford University, United Kingdom, July 2007.
- Visiting lecturer to Longido Community Integrated Programs, Arusha, Tanzania, July 2006.

Regent University's C.S. Lewis and Communication course at Oxford University,
United Kingdom, July 2006.

Visiting lecturer to Longido Community Integrated Programs, Arusha, Tanzania,
July 2005.

Regent University's C.S. Lewis and Communication course at Oxford University,
United Kingdom, July 2005.

Visiting lecturer to Vanguard Ministries Leadership Training Program, Democratic Republic of
Congo, July 2003.

Visiting lecturer to Bangkok University in Bangkok, Thailand, April 1995.

Resident of Hong Kong Island, Hong Kong, 1981-1985.

Resident of Cambridge, Ontario, Canada, 1980-1981.

Resident of Saipan, Central Marianas Islands, Micronesia, 1978-1979.

Guest Speaker: Universities and organizations in the nations of Japan, Korea, Hong Kong,
Taiwan, the Philippines, Malaysia, Singapore, Indonesia, Thailand, Burma, West
Germany, South Africa, Canada, and the United States, 1979-1989.

Academic Conference Speaker: Australia, Canada, Costa Rica, Hong Kong, Japan, Ireland, Israel,
the Netherlands, Spain, South Africa and the United States.

Non-academic Conference Speaker: The Netherlands, Romania, the Philippines, Hong Kong,
Singapore, Thailand, South Africa, the Democratic Republic of Congo, Tanzania and the United
States.

CONSULTING, TRAINING AND ORGANIZATIONAL DEVELOPMENT

American Institute of Banking

Ameron Corporation, Honolulu, Hawaii

Baby Slings Hawaii, Honolulu, Hawaii

Bank of Hawaii

Beauty Pageants International, Honolulu, Hawaii

Belhaven College

Bituminals, Incorporated

Brewer's Yeast Company

CAM-MAC Originals, San Jose, CA

Christian Broadcasting Network

Dole Pineapple Company

Hawaiian Electric Company

Hawaii's Department of Labor and Industrial Relations

Hawaii's Department of Health

Hope of Freedom Foundation, Bangkok, Thailand

Maui Community College

Medical University of South Carolina

Newington-Cropsey Foundation
Operation Blessing
Pacific Asian & Christian University
Palm Beach Atlantic University
Parroco Production Group, Inc.
Regent University
Shirokiya, Inc.
Success Media, Bangkok, Thailand
University of California Medical School, Davis, CA
University of Hawaii's College of Continuing Education and Community Service
University of the Nations, Hawaii, Hong Kong
U.S. Army Corp of Engineers
United Way Hampton Roads

RESEARCH CONSULTING AND MARKET ANALYSIS

American Bible Society
Ark Multimedia Publishing
Christian Broadcasting Network
Crossroads Community Church, Newport News
In Touch Ministries – Charles Stanley
American Center for Law and Justice
Shirokiya, Inc.
The Christian Film and Television Commission
First Baptist Church of Norfolk
Founders Village
Episcopal Renewal Ministries
Lutzker & Lutzker, LLC
Project Light
University of the Nations
Regent University
Operation Blessing humanitarian relief organization
The Founders Inn and Conference Center
TLN Chicago – Jerry Rose
United States Department of Defense
United Way, Hampton Roads

ACADEMIC JOURNAL REVIEWER

Communication Management Quarterly
Communication Monographs
Communication Research
Communication Theory

Health Communication
Human Communication Research
International Journal of Leadership Studies
Journal of Broadcasting and Electronic Media
Journal of Communication
Journal of Health Communication

BOOK REVIEWER

Sage Publications
St. Martin's Press
Lawrence Erlbaum Associates

RESEARCH PROJECT REVIEWER

Israeli Science Foundation

COMMUNITY SERVICE

Board Member, Friends for Africa Development, 2008-present
Board Member, Africa Conservancy, 2007-present
Board Member, Earth Conservancy, 2003-present
Board Member, The Man Called Jesus International, 1999-present
Board Member, Heartbridge International, 2001-present
Advisory Board Member, New Life Ministries International, 2003-2006
Vice-President, Warrington Hall Homeowners Association Transition Board, 2004-2007
President, Vice-President, Secretary, Plantation Lakes Home Owners Association, 1994-2000
Curriculum and academic program consultant, Belhaven College, April 2006
Curriculum and academic program consultant, Oxford Centre for Mission Studies, Feb. 1995

PROFESSIONAL ORGANIZATIONS AND AFFILIATIONS

Asian Mass Communication Research and Information Centre
International Communication Association
National Communication Association
World Association for Christian Communication
World Communication Association

Exhibit 2

rulings on close or disputed questions about particular programs, the Tribunal refined the category definitions through declaratory rulings and rulings published as part of its final determinations. See, e.g., 1984 Cable Royalty Distribution Proceeding, 52 Fed. Reg. 8408, 8416 (Mar. 17, 1987); Advisory Opinion, Docket No. CRT 85-4 84 CD (May 16, 1986). For the 1990-1992 proceeding, the parties stipulate that the following Phase I category definitions, based on these prior Tribunal rulings, should apply:

Phase I Program Category Definitions

"Program Suppliers." Syndicated series, specials and movies, other than Devotional Claimants programs as defined below. Syndicated series and specials are defined as including (1) programs licensed to and broadcast by at least one U.S. commercial television station during the calendar year in question, (2) programs produced by or for a broadcast station that are broadcast by two or more U.S. television stations during the calendar year in question, and (3) programs produced by or for a U.S. commercial television station that are comprised predominantly of syndicated elements, such as music video shows, cartoon shows, "PM Magazine," and locally hosted movie shows.

"Joint Sports." Live telecasts of professional and college team sports broadcast by U.S. and Canadian television stations, except for programs coming within the Canadian Claimants category as defined below.

"Commercial Television." Programs produced by or for a U.S. commercial television station and broadcast only by that one station during the calendar year in question and not coming within the exception described in subpart 3) of the "Program Suppliers" definition.

"Public Broadcasting." All programs broadcast on U.S. noncommercial educational television stations.

"Devotional Claimants." Syndicated programs of a primarily religious theme, not limited to those produced by or for religious institutions.

"Canadian Claimants." All programs broadcast on Canadian television stations, except (1) live telecasts of Major League Baseball, National Hockey League, and U.S. college team sports, and (2) other programs owned by U. S. copyright owners.

These categories are intended to cover all non-network television programs on all stations retransmitted as distant signals by U.S. cable systems during 1990-1992, on a mutually exclusive basis. The six categories are represented in the Phase I proceedings, respectively, by the undersigned parties. Some of those categories are principally represented by trade associations or other pre-existing entities, while others are represented by ad hoc groups of claimants within the category which have joined together for the purpose of the Phase I hearing. In either case, the relationships between the claimants and the Phase I representatives are a matter of private agreement and are not at issue in this Phase I proceeding. In all cases, the Phase I representatives are seeking a Phase I royalty allocation for all programs within the category.

The final distribution of royalties to individual claimants whose programs are within each category will follow either a settlement among all claimants within the category or the resolution of any disputes through a separate Phase II proceeding. The extent to which the particular Phase I party actually represents the ultimate interests of each and every claimant within the category has historically been addressed, if necessary, in Phase II.

A related issue is the extent to which timely claims were filed with the Copyright Office for all programs contained within each Phase I category. If the owner of a program that fits within one of the Phase I categories fails to file a claim, it might be argued that the Phase I allocation to the category should

somehow be proportionally diminished. This so-called "unclaimed funds" issue, however, was resolved by the Tribunal in the course of its 1978 proceeding. The Tribunal determined that, for Phase I purposes, it should treat each category as if claims had been filed for all included programs. 1978 Cable Royalty Distribution Determination, 45 Fed. Reg. 63026, 63042 (Sept. 23, 1980).

The parties stipulate that the Panel should apply the same approach in this proceeding as the Tribunal did in the past, and should allocate all royalties among the six Phase I categories on the basis of all retransmitted programs coming within the respective definitions of those categories.

The parties would be pleased to discuss any aspect of this Stipulation with the members of the Panel at the Panel's convenience.

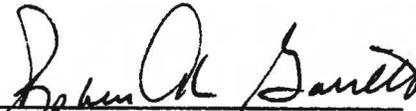
Respectfully submitted,

PROGRAM SUPPLIERS

By: 

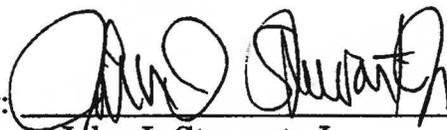
Dennis Lane
John M. Collins
John E. McCaffrey
Morrison & Hecker, LLP
Suite 800
1150 Eighteenth Street, N.W.
Washington, D.C. 20036

JOINT SPORTS CLAIMANTS

By: 
Robert Alan Garrett
David P. Gersch
Kathleen A. Behan
Peter G. Neiman

Arnold & Porter
555 Twelfth Street, N.W.
Washington, D.C. 20004-1202

**NATIONAL ASSOCIATION OF
BROADCASTERS**

By: 
John I. Stewart, Jr.
Jacqueline E. Hand
Jessica R. Herrera

Crowell & Moring
1001 Pennsylvania Avenue, N.W.
Washington, D.C. 20004-2595

PUBLIC BROADCASTING SERVICE

By: 
Timothy C. Hester
Michele J. Woods

Covington & Burling
P.O. Box 7566
1201 Pennsylvania Avenue, N.W.
Washington, D.C. 20044-7566

DEVOTIONAL CLAIMANTS

By: Richard M. Campanelli *Reg*

George R. Grange, II
Richard M. Campanelli
Jane Allison Austin

Gammon & Grange, P.C.
Seventh Floor
8280 Greensboro Drive
McLean, VA 22102-3807

By: Barry H. Gottfried

Clifford M. Harrington
Barry H. Gottfried
Heidi Atassi Gaffney

**Fisher, Wayland, Cooper, Leader &
Zaragoza, LLP**
Suite 400
2001 Pennsylvania Avenue, N.W.
Washington, D.C. 20006-1851

By: John H. Midlen, Jr. *Reg*

John H. Midlen, Jr.

John H. Midlen, Jr., Chartered
3238 Prospect Street, N.W.
Washington, D.C. 20007-3214

CANADIAN CLAIMANTS

By: L. Kendall Satterfield

L. Kendall Satterfield
Victor J. Cosentino

Finkelstein, Thompson & Loughran
Suite 304
2828 Pennsylvania Avenue, N.W.
Washington, D.C. 20007

February 23, 1996

SERVICE LIST

Clifford M. Harrington

*Barry H. Gottfried

Fisher, Wayland, Cooper, Leader
& Zaragoza, LLP

2001 Pennsylvania Avenue, N.W., Ste. 400
Washington, D.C. 20006-1851

*L. Kendall Satterfield

Finkelstein, Thompson & Loughran

2828 Pennsylvania Avenue, N.W.
Washington, D.C. 20007

Benjamin F. P. Ivins

National Association of Broadcasters

1771 N Street, N.W.
Washington, D.C. 20036

John H. Midlen, Jr.

Law Offices of John H. Midlen, Jr.

3238 Prospect Street, N.W.
Washington, D.C. 20007-3214

Thomas J. Ostertag

General Counsel

Office of the Commissioner of Baseball
350 Park Avenue, 17th Floor
New York, NY 10022

Judith Jurin Semo

Squire, Sanders & Dempsey

1201 Pennsylvania Avenue, N.W.
Washington, D.C. 20004

Arnold P. Lutzker

Keith A. Barritt

Fish & Richardson, P.C.

601 13th Street, N.W.
Washington, D.C. 20005

*Dennis Lane

Morrison & Hecker

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Washington, D.C. 20036-3815

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Arnold & Porter

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George R. Grange, II

Richard M. Campanelli

Gammon & Grange, PC
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Philip R. Hochberg

Baraff, Koerner, Olender & Hochberg

Three Bethesda Metro Ctr., Ste. 640
Bethesda, MD 20814-5330

Paula A. Jameson

Gary P. Poon

Public Broadcasting Service
1320 Braddock Place
Alexandria, VA 22314

Erica Redler

Canadian Broadcasting Corp.

P.O. Box 8478
Ottawa, Ontario K1G 3J5

Declaration of Peter T. Vay

**Before the
COPYRIGHT ROYALTY JUDGES
Washington, DC**

In the Matter of)	
)	
Phase II Distribution of the 1998 and 1999 Cable Royalty Funds)	Docket No. 2008-1 CRB CD 1998-1999 (Phase II)
)	

DECLARATION OF PETER T. VAY

I, Peter T. Vay, hereby state and declare as follows:

1. I am an Electronic Services Librarian for the law firm of Pillsbury Winthrop Shaw Pittman LLP.
2. On March 11, 2014, I conducted a business entity search on the Georgia Secretary of State Corporations Division, available at <http://corp.sos.state.ga.us/corp/soskb/csearch.asp>. I found no registered entities by the name of Creflo Dollar Ministries or Creflo A. Dollar Ministries.

I hereby declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

March 13, 2014



Peter T. Vay

Declaration of Matthew J. McLean

**Before the
COPYRIGHT ROYALTY JUDGES
Washington, DC**

In the Matter of)	
)	
Phase II Distribution of the 1998 and 1999 Cable Royalty Funds)	Docket No. 2008-1 CRB CD 1998-1999 (Phase II)
)	

DECLARATION OF MATTHEW J. MACLEAN

I, Matthew J. MacLean, hereby state and declare as follows:

1. I am a litigation partner in the law firm of Pillsbury Winthrop Shaw Pittman LLP (“Pillsbury”). I am counsel for the Settling Devotional Claimants (“SDC”) in the proceeding referenced above.
2. SDC-P-001 is a true and correct copy of Cable Claim 434 (July 31, 2000), submitted by Worldwide Subsidy Group, also known as Independent Producers Group (“IPG”) and produced by IPG in discovery in this matter.
3. SDC-P-002 is a true and correct copy of Cable Claim 433 (July 31, 2000)), submitted by IPG and produced by IPG in discovery in this matter.
4. SDC-P-003, SDC-P-004, SDC-P-005, SDC-P-006, SDC-P-007, and SDC-P-008 are certified copies of pleadings, transcripts, and other filings from the case *United States v. Galaz*, Crim. No. 02-230 (D.D.C.).
5. SDC-P-009 is a true and correct copy of IPG’s Revised Responses to Document Requests of Settling Devotional Claimants Pursuant to Order of January 31, 2014 (Feb. 17, 2014).
6. SDC-P-010 is a true and correct copy of an email that I received from Raul Galaz on January 8, 2014, including a true and correct copy of an email exchange between Brian Boydston, David Joe, and me.

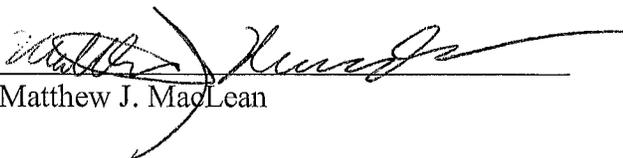
7. SDC-P-011 is a true and correct copy of a Reply Brief filed by IPG on January 16, 2014 in the case *Independent Producers Group v. Librarian of Congress*, Case No. 13-1132 (D.C. Cir.).
8. SDC-P-012, filed under seal, is a copy of the “Finder’s Fee” agreement between IPG and Brewer, Brewer, Anthony & Middlebrook, produced by IPG in discovery in this matter.
9. SDC-P-013 is a true and correct copy of Tex. Comm. on Professional Ethics, Op. 536, V. 64 Tex. B.J. 7 (2001), available online at <http://www.legalethicstexas.com/Ethics-Resources/Opinions/Opinion-536.aspx>.
10. SDC-P-014 is a true and correct copy of a purported listing of IPG-Represented Claimants, 2000-2003 Cable Distribution Proceedings (Phase II), attached as Exhibit 1 to the Direct Case of IPG, *In the Matter of Distribution of 2000, 2001, 2002 and 2003 Cable Royalty Funds*, Docket No. 2008-2 CRB CD 2000-2003 (Phase II).
11. SDC-P-015 is a true and correct copy of an excerpt from IPG’s Second Amended More Specific Statement of 2004-2009 Cable Claims (Nov. 8, 2013).
12. SDC-P-016 is a true and correct copy of an excerpt from IPG’s Second Amended More Specific Statement of 1999-2009 Satellite Claims (Nov. 8, 2013).
13. SDC-P-017 is a true and correct copy of a Form 990 (1999) filed by Feed the Children, Inc., available online at <http://www.eri-nonprofit-salaries.com/index.cfm?FuseAction=NPO.Form990&EIN=736108657&Year=2009>.
13. SDC-P-018 is a true and correct copy of a trademark registration for “Feed The Children” from the United States Patent and Trademark Office Trademark Electronic Search System, available online at <http://tmsearch.uspto.gov>.

14. SDC-P-019 is a true and correct copy of a two-part settlement agreement between IPG and MPAA dated March 31, 2004, publicly filed by IPG as part of the Joint Appendix in *Independent Producers Group v. Librarian of Congress*, Case No. 13-1132 (D.C. Cir.).
15. SDC-P-020 is a true and correct copy of an Amendment filed by It Is Written, Inc. on May 13, 2004 in *Matter of Claims to 1999 Cable Retransmission Royalties*, Docket Nos. 2001-8 CARP CD 98-99 and 2001-5 CARP SD 99.
16. SDC-P-021 is a true and correct copy of search results on the U.S. Copyright Office Public Catalog, available at <http://cocatalog.loc.gov>, for Adventist Media Center Productions; Faith for Today, Inc.; It Is Written; and Breath of Life, Inc.
17. SDC-P-022 is a true and correct copy of an Application for Registration of Fictitious Name, Benny Hinn Ministries (Nov. 15, 2000), produced by IPG in this matter.
18. SDC-P-023 is a true and correct copy of Senate Finance Committee, Minority Staff Review of Eagle Mountain International Church d/b/a Kenneth Copeland Ministries, available at <http://www.finance.senate.gov/newsroom/ranking/download/?id=bedb7313-be71-4bfe-9eb5-b929710f0fa0>.
19. SDC-P-024 is a true and correct copy of Senate Finance Committee, Minority Staff Review of World Changers Church International, available at <http://www.finance.senate.gov/newsroom/ranking/download/?id=d12db357-ce3f-49f8-babb-4134ff994e50>.
20. SDC-P-025 is a true and correct copy of trademark registrations for CREFLO and Dr. Creflo A. Dollar from the United States Patent and Trademark Office Trademark Electronic Search System, available online at <http://tmsearch.uspto.gov>.

21. SDC-P-026 is a true and correct copy of a purported corporate family chart of entities affiliated with World Changers Church International, Inc., produced by IPG in discovery in this matter.
22. SDC-P-027, filed under seal, is a true and correct copy of a purported Representation Agreement between IPG and “Creflo A. Dollar Ministeries [sic],” produced by IPG in discovery in this matter.
23. SDC-P-028, filed under seal, is a true and correct copy of a purported Mandate Agreement between IPG and Feed The Children, produced by IPG in discovery in this matter.
24. SDC-P-029, filed under seal, is a true and correct copy of a purported Mandate Agreement between IPG and Life Outreach International, produced by IPG in discovery in this matter.
25. SDC-P-030, filed under seal, is a true and correct copy of a purported Mandate Agreement, IPG and “Adventist Media Center Productions,” produced by IPG in discovery in this matter.
26. SDC-P-031 is a true and correct copy of a decision in *Galaz v. Oshita*, Case Nos. B181278, B187428 (Cal. Ct. App., 2nd App. Dist., Div. 1 May 30, 2008), produced by IPG in discovery in this matter.
27. SDC-P-032 is a true and correct copy of an email dated July 15, 2002, from David Joe, Esq. to Marion Oshita, copying Barry Gottfried, a former partner in my law firm, Pillsbury. This email was made and kept in the course of Pillsbury’s regularly conducted activity, and the making of this record was a regular practice of that activity.
28. SDC-P-033 is a true and correct copy of an email dated October 4, 2004, from David Joe, Esq., to Brian Boydston, Raul Galaz, and Marian Oshita.

I hereby declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

March 17, 2014


Matthew J. MacLean

Settling Devotional Claimants' Preliminary Hearing Exhibits

CABLE CLAIM -- COPYRIGHT ARBITRATION ROYALTY PANEL

Worldwide Subsidy Group does hereby file jointly on behalf of itself and others a claim to compulsory license fees pursuant to 17 U.S.C. Section 111(d)(4)(A) and 37 C.F.R. Section 252.3 for secondary transmissions by cable systems during the period January 1, 1999 through December 31, 1999. In compliance with 37 C.F.R. Section 252.3, said claimant hereby furnishes the following information:

1. The full legal name of the persons or entities claiming compulsory license fees is:
See attached Exhibit A
2. The full address of the place of the claimant's place of business, including phone/fax number is:
9903 Santa Monica Blvd., #655, Beverly Hills, CA 90212, (310) 446-1768 (phone), (310) 446-9978 (fax)
3. The nature of the copyrighted works whose secondary transmissions provide the basis of the claim is: **TELEVISION PROGRAMS AND/OR WORKS INCLUDED IN SUCH PROGRAMMING OR TRANSMISSION**
4. On the basis of information and belief, our copyrighted program(s) "**Magic School Bus**" was the subject of a primary transmission by television station **WXIX, Cincinnati** on **March 16, 1999**, and was retransmitted on a distant signal basis on that date by a cable system(s) known as **Frontiersvision Operating Partners L.P.** which serve(s) **Morehead, Kentucky**.
5. On the basis of information and belief, our copyrighted program(s) "**Pokemon**" was the subject of a primary transmission by television station **WPIX, New York** on **April 20, 1999**, and was retransmitted on a distant signal basis on that date by a cable system(s) known as **Coudersport TV Cable** which serve(s) **Coudersport, Pennsylvania**.
6. On the basis of information and belief, our copyrighted program(s) "**Beast Wars**" was the subject of a primary transmission by television station **KPLR, St. Louis** on **June 20, 1999**, and was retransmitted on a distant signal basis on that date by a cable system(s) known as **Enstar Incom Program II-2** which serve(s) **Pana, Illinois**.
7. On the basis of information and belief, our copyrighted program(s) "**Kenneth Copeland**" was the subject of a primary transmission by television station **KTLA, Los Angeles** on **August 8, 1999**, and was retransmitted on a distant signal basis on that date by a cable system(s) known as **Americable International Arizona, Inc.** which serve(s) **Ft. Mohave, Arizona**.
8. On the basis of information and belief, our copyrighted program(s) "**Animal Adventures**" was the subject of a primary transmission by television station **KSDK, St. Louis** on **June 26, 1999**, and was retransmitted on a distant signal basis on that date by a cable system(s) known as **Fidelity Cablevision, Inc.** which serve(s) **Rolla, Missouri**.

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JUN 31 2000

GENERAL COUNSEL
OF COPYRIGHT

SDC-P-001

9. On the basis of information and belief, our copyrighted program(s) "Tae-Bo" was the subject of a primary transmission by television station **KXTX, Dallas on March 18, 1999**, and was retransmitted on a distant signal basis on that date by a cable system(s) known as **Texas Cable Partners, L.P.** which serve(s) **Graham, Texas.**

10. On the basis of information and belief, our copyrighted program(s) "Bloopy's Buddies" was the subject of a primary transmission by television station **KPTV, Portland on May 1, 1999**, and was retransmitted on a distant signal basis on that date by a cable system(s) known as **Falcon Cable Systems Company II** which serve(s) **Florence, Oregon.**

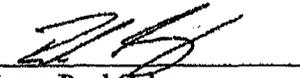
11. On the basis of information and belief, our copyrighted program(s) "Dragon Ball Z" was the subject of a primary transmission by television station **WPGH, Pittsburgh on August 4, 1999**, and was retransmitted on a distant signal basis on that date by a cable system(s) known as **Mt. Lebanon Cablevision, Inc.** which serve(s) **Punxsutawney, Pennsylvania.**

THE CLAIMANT HEREBY DECLARES ITSELF A PARTY TO THE JOINT CLAIM FILED BY INDEPENDENT PRODUCERS GROUP (IPG) AND AUTHORIZES IPG TO REPRESENT THE CLAIMANT'S INTERESTS AND TO RECOVER ROYALTIES FOR THE CLAIMANT PURSUANT TO THE IPG DISTRIBUTION METHODOLOGY. If there are any questions concerning this claim, please contact the undersigned Please send a copy of any correspondence to Independent Producers Group, 19275 Stone Oak Parkway, #711, San Antonio, Texas 78258, (210) 490-9887 (phone), (210) 490-9779 (fax), e-mail: info@independentproducers.org.

Respectfully submitted,

**Worldwide Subsidy Group
9903 Santa Monica Blvd., #655
Beverly Hills, CA 90212**

By (signature):



Typed/Printed Name: Raul Galaz

Title: President

Date: July 31, 2000

Exhibit A to 1999 Cable/Satellite Claims of Worldwide Subsidy Group Group

3DD Entertainment
A&E Television Network
Abrams Gentile Entertainment
Academy of Television Arts and Sciences
Alain Sirlitsky Productions
American Film Institute (AFI)
Ardent Productions
Arsenal Distribution
Artist Collections Group LLC
BBC Worldwide
BBL Distribution
Beacon Communications Corp.
Bell-Phillip Television Productions, Inc.
Benchmark Distribution, Inc.
Benny Hinn Ministeries
Beyond International Limited
Big Events Company
BKS Entertainment
Blackball Productions
Bruin Entertainment, Ltd.
California State Lottery Commission
Cappy Productions
Cascade
Castillo Entertainment, Inc.
Caterpillar Productions
Central City Productions
Channel 4 International
Chesler/Perlmutter Productions
Chicago Production Company
Click Productions
Conus Communications
Corday Productions
Cosgrove-Meurer Productions
Creative Children's Group Ltd.
Creflo Dollar Ministeries
Cromwell Productions
Daniel Hernandez Productions
Decode Entertainment, Inc.
Diamond Properties
Don Fedderson Productions Inc. (Tido, Inc.)
DreamWorks LLC
Eagle Mountain Int'l Church aka Kenneth Copeland Ministeries
Eagle Rock Entertainment
EM-TV AG
Entertainment Rights PLC fka SKD Media (The Sleepy Kid Co. Ltd.)
Envoy Productions
ESPN
FIFA/ATP
Films By Jove

Exhibit A to 1999 Cable/Satellite Claims of Worldwide Subsidy Group Group

Fintage House
Fitness Quest, Inc.
Five Star Productions aka 5 Star Productions
Flying Tomato Films
France Animation
Funimation
Gabriel Communications
Glaser & Co.
Golden Films Entertainment
Gorky Studios
Grandolph Juravic Entertainment, LLC
Greenlight Entertainment B.V.
GTSP Records
Hatchwell-Lucarelli Productions
Holden Productions
Home Enterprises
Independent Productions
Integrity Global Marketing
IOC Properties, Ltd.
Jay Ward Productions
JCS II Entertainment
Kersey Distribution, Ltd.
Knight Scenes Incorporated
Konigsberg Sanitsky Productions
Lacey Entertainment
LaFonda Partners
Lee Mendelson Film Productions
Libra Films
Lifetime Television
Link Television Entertainment
Litton Syndications
Magus Entertainment
Mainframe Entertainment
Manga Entertainment
Marcor International
Mark Anthony Entertainment
Mega Entertainment International
Minotaur International Ltd.
Mom U.S.A. Inc.
Movides
Myriad Pictures
Nabisco, Inc.
National Academy of Television Arts and Sciences
New Visions Syndication
Noho Entertainment
Nu/Hart
NVC Arts
O. Atlas Enterprise, Inc. aka Atlas Enterprises
Over the Top - TV!

Exhibit A to 1999 Cable/Satellite Claims of Worldwide Subsidy Group Group

Paws Productions
Promark Television Inc.
Quartet International
Raycom Sports
Reel Media International
Robyn Distribution, Ltd.
Sandra Carter Productions
Scholastic Productions, Inc.
Shogakukan Productions
ShopPro
Showtime Television
South Hope Street Productions
Sportsworld
St. Jude Children's Hospital
Streamline Pictures
Taurus 7 Films
TearDrop Golf
Tide Entertainment
Timberwolf Productions
TOHO Productions
Ton of Fun Ltd.
Tracee Productions
Tremendous Entertainment
TV Guide
TVD Productions
TVS Television Syndication Company
United Feature Syndicate
United Negro College Fund
United States Olympic Committee
Video Tours Inc.
Watercourse Road Productions
West 175 Enterprises
Worldwide Pants, Inc.
Worldwide Subsidy Group LLC
Xeron Entertainment

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RECEIVED

JUL 31 2000

CABLE CLAIM - - COPYRIGHT ARBITRATION ROYALTY PANEL

GENERAL COUNSEL
COPYRIGHT

Independent Producers Group does hereby file jointly on behalf of itself and others a claim for compulsory license fees pursuant to 17 U.S.C. Section 111(d)(4)(A) and 37 C.F.R. Section 252.3 for secondary transmissions by cable systems during the period January 1, 1999 through December 31, 1999. In compliance with 37 C.F.R. Section 252.3, said claimant hereby furnishes the following information:

1. The full legal name of the persons or entities claiming compulsory license fees is:
See attached Exhibit A
2. The full address of the place of the claimant's place of business, including phone/fax number is:
**19275 Stone Oak Parkway, #711, San Antonio, TX 78258, (210) 490-9887 (phone),
(210) 490-9779 (fax)**
3. The nature of the copyrighted works whose secondary transmissions provide the basis of the claim is: **TELEVISION PROGRAMS AND/OR WORKS INCLUDED IN SUCH PROGRAMMING OR TRANSMISSION**
4. On the basis of information and belief, our copyrighted program(s) "**AgDay**" was the subject of a primary transmission by television station **KWTV, Oklahoma City on August 11, 1999**, and was retransmitted on a distant signal basis on that date by a cable system(s) known as **Cable One, Inc.** which serve(s) **Altus, Oklahoma.**
5. On the basis of information and belief, our copyrighted program(s) "**Oneworld Music Beat**" was the subject of a primary transmission by television station **WSBK, Boston on February 13, 1999**, and was retransmitted on a distant signal basis on that date by a cable system(s) known as **Time Warner Entertainment** which serve(s) **Glen Falls, New York.**
6. On the basis of information and belief, our copyrighted program(s) "**Game Warden Wildlife Journal**" was the subject of a primary transmission by television station **KWGN, Denver on May 30, 1999**, and was retransmitted on a distant signal basis on that date by a cable system(s) known as **Century Trinidad Cable TV Corp.** which serve(s) **Trinidad, Colorado.**
7. On the basis of information and belief, our copyrighted program(s) "**Young America Outdoors**" was the subject of a primary transmission by television station **KSDK, St. Louis on May 16, 1999**, and was retransmitted on a distant signal basis on that date by a cable system(s) known as **Fidelity Cablevision** which serve(s) **Rolla, Missouri.**
8. On the basis of information and belief, our copyrighted program(s) "**America's Black Forum**" was the subject of a primary transmission by television station **KCAL, Los Angeles on May 8, 1999**, and was retransmitted on a distant signal basis on that date by a cable system(s) known as **Charter Communications** which serve(s) **Alamogordo, New Mexico.**

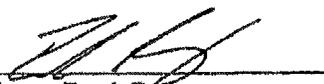
9. On the basis of information and belief, our copyrighted program(s) "**Feed The Children**" was the subject of a primary transmission by television station **WSBK, Boston** on **September 12, 1999**, and was retransmitted on a distant signal basis on that date by a cable system(s) known as **Time Warner Entertainment** which serve(s) **Glen Falls, New York**.

10. On the basis of information and belief, our copyrighted program(s) "**Monkey Magic**" was the subject of a primary transmission by television station **KCOP, Los Angeles** on **February 14, 1999**, and was retransmitted on a distant signal basis on that date by a cable system(s) known as **Mediacom California** which serve(s) **Valley Center, California**.

THE CLAIMANT HEREBY DECLARES ITSELF A PARTY TO THE JOINT CLAIM FILED BY INDEPENDENT PRODUCERS GROUP (IPG) AND AUTHORIZES IPG TO REPRESENT THE CLAIMANT'S INTERESTS AND TO RECOVER ROYALTIES FOR THE CLAIMANT PURSUANT TO THE IPG DISTRIBUTION METHODOLOGY. If there are any questions concerning this claim, please contact the undersigned Please send a copy of any correspondence to Independent Producers Group, 19275 Stone Oak Parkway, #711, San Antonio, Texas 78258, (210) 490-9887 (phone), (210) 490-9779 (fax), e-mail: info@independentproducers.org.

Respectfully submitted,

**Independent Producers Group
19275 Stone Oak Parkway, #711
San Antonio, TX 78258**

By (signature): 
Typed/Printed Name: **Raul Galaz**
Title: **President**

Date: **July 31, 2000**

Exhibit A to 1999 Cable/Satellite Claims of Independent Producers Group

Adventist Media Center Productions
Alton Entertainment
BKS Entertainment
Bloomberg L.P.
BVTV, Inc.
Candid Camera, Inc.
Central City Productions, Inc.
Direct Cinema Ltd.
DTG Entertainment
Enoki Films USA, Inc.
Farm Journal Electronic Media Company
Feed The Children, Inc.
Grandolph Juravic Entertainment LLC
GRB Entertainment
Guinness Publishing Ltd.
HLB Productions
Independent Producers Group
Jefferson Pilot Sports
Kid Friendly Productions
Life Outreach International
Martha Stewart Living Omnimedia, Inc.
Marty Stouffer Productions Ltd.
Music & Media International
NARAS
Network Programs International
NTS Program Sales
Pacific Family Entertainment
Peter Rodgers Organization
Ravenhill Films
Ron Hazelton Productions, Inc.
St. Jude Children's Hospital
The Wyland Group
Today's Homeowner
Unapix Entertainment, Inc.
Uniworld Group
Whamo Entertainment
Wheeler Sussman Productions
World Events Productions

0000164

RECEIVED
JUL 31 2000
GENERAL COUNCIL
OF COPYRIGHT LITIGATION

SATELLITE CLAIM -- COPYRIGHT ARBITRATION ROYALTY PANEL

Independent Producers Group does hereby file jointly on behalf of itself and others a claim to compulsory license fees pursuant to 17 U.S.C. Section 119(b)(4)(A) and 37 C.F.R. Section 257.3 for secondary transmissions by satellite carriers during the period January 1, 1999 through December 31, 1999. In compliance with 37 C.F.R. Section 252.3, said claimant hereby furnishes the following information:

1. The full legal name of the persons or entities claiming compulsory license fees is:
See attached Exhibit A
2. The full address of the place of the claimant's place of business, including phone/fax number is:
**19275 Stone Oak Parkway, #711, San Antonio, TX 78258, (210) 490-9887 (phone),
(210) 490-9779 (fax)**
3. The nature of the copyrighted works whose secondary transmissions provide the basis of the claim is: **TELEVISION PROGRAMS AND/OR WORKS INCLUDED IN SUCH PROGRAMMING OR TRANSMISSION**
4. On the basis of information and belief, our copyrighted program(s) "**Oneworld Music Beat**" was the subject of a primary transmission by television station **KPIX, San Francisco** on **January 25, 1999**, and was retransmitted on that date by a satellite carrier(s) known as **Primetime 24**.
5. On the basis of information and belief, our copyrighted program(s) "**Minority Business Report**" was the subject of a primary transmission by television station **WGN, Chicago** on **February 20, 1999**, and was retransmitted on that date by a satellite carrier(s) known as **TV Guide, Inc.**
6. On the basis of information and belief, our copyrighted program(s) "**Young America Outdoors**" was the subject of a primary transmission by television station **WFAA, Dallas** on **January 10, 1999**, and was retransmitted on that date by a satellite carrier(s) known as **Echostar Satellite Corporation**.
7. On the basis of information and belief, our copyrighted program(s) "**It Is Written**" was the subject of a primary transmission by television station **KWGN, Denver** on **November 21, 1999**, and was retransmitted on that date by a satellite carrier(s) known as **Echostar Satellite Corporation**.
8. On the basis of information and belief, our copyrighted program(s) "**I Spy**" was the subject of a primary transmission by television station **WUSA, Washington, D.C.** on **February 17, 1999**, and was retransmitted on that date by a satellite carrier(s) known as **Primestar, Inc.**

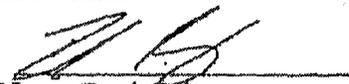
THE CLAIMANT HEREBY DECLARES ITSELF A PARTY TO THE JOINT CLAIM FILED

BY INDEPENDENT PRODUCERS GROUP (IPG) AND AUTHORIZES IPG TO REPRESENT THE CLAIMANT'S INTERESTS AND TO RECOVER ROYALTIES FOR THE CLAIMANT PURSUANT TO THE IPG DISTRIBUTION METHODOLOGY. If there are any questions concerning this claim, please contact the undersigned Please send a copy of any correspondence to Independent Producers Group, 19275 Stone Oak Parkway, #711, San Antonio, Texas 78258, (210) 490-9887 (phone), (210) 490-9779 (fax), e-mail: info@independentproducers.org.

Respectfully submitted,

Independent Producers Group
19275 Stone Oak Parkway, #711
San Antonio, TX 78258

By (signature):


Typed/Printed Name: Raul Galaz

Title: President

Date: July 31, 2000

Exhibit A to 1999 Cable/Satellite Claims of Independent Producers Group

Adventist Media Center Productions
Alton Entertainment
BKS Entertainment
Bloomberg L.P.
BTVV, Inc.
Candid Camera, Inc.
Central City Productions, Inc.
Direct Cinema Ltd.
DTG Entertainment
Enoki Films USA, Inc.
Farm Journal Electronic Media Company
Feed The Children, Inc.
Grandolph Juravic Entertainment LLC
GRB Entertainment
Guinness Publishing Ltd.
HLB Productions
Independent Producers Group
Jefferson Pilot Sports
Kid Friendly Productions
Life Outreach International
Martha Stewart Living Omnimedia, Inc.
Marty Stouffer Productions Ltd.
Music & Media International
NARAS
Network Programs International
NTS Program Sales
Pacific Family Entertainment
Peter Rodgers Organization
Ravenhill Films
Ron Hazelton Productions, Inc.
St. Jude Children's Hospital
The Wyland Group
Today's Homeowner
Unapix Entertainment, Inc.
Uniworld Group
Whamo Entertainment
Wheeler Sussman Productions
World Events Productions

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

MAY 29 PM 4:45

UNITED STATES OF AMERICA,)
MAYER-WHITTINGTON)
CLERK)
Plaintiff,)
v.)
Raul C. GALAZ,)
Defendant.)

Criminal No: 02-230

Count 1: 18 U.S.C. § 1341
(Mail Fraud)

MAY 30 2002

KENNEDY, JR. J. INK

INFORMATION

The defendant having waived in open court prosecution by indictment, the United States Attorney for the District of Columbia charges:

COUNT 1 (Mail Fraud)

At all times relevant to this Information:

Background

1. Defendant Raul C. GALAZ resided in either California or Texas and was an attorney licenced to practice law in the State of California specializing in the field of entertainment law.
2. The United States Copyright Office (hereinafter "Copyright Office") is located in the District of Columbia and is a component of the Library of Congress, a part of the legislative branch of the Government of the United States. The Copyright Office collects copyright royalty payments from cable and satellite companies that retransmit programs to system subscribers and distributes royalty fees to the owners of the copyrighted programs.

U.S. District and Bankruptcy Courts
for the District of Columbia

A TRUE COPY

ANGELA D. CAESAR, Clerk

By

Deputy Clerk

[Handwritten Signature] 3/14/14

3. During July of each calendar year, copyright owners must file claims with the Copyright Office for the prior calendar year which identify the program copyright owner, the program claimed, one cable or satellite system involved in the program's retransmission, and date of retransmission.

4. The Motion Picture Association of America (hereinafter "MPAA") is located in the District of Columbia and is a non-profit trade organization which, on behalf of represented parties, collects copyright royalty payments from the Copyright Office and distributes the funds to copyright owners and/or beneficial interest holders.

5. In or about March 1998, defendant Raul C. GALAZ, as principal founder, started Artist Collections Group, a California limited liability company, created to collect cable and satellite copyright retransmission royalties and other secondary royalty rights throughout the world. Artist Collections Group conducted business under the name Worldwide Subsidy Group.

6. In or about August, 1999, defendant Raul C. GALAZ, as the principal founder, started Worldwide Subsidy Group, a Texas limited liability company created to collect cable and satellite copyright retransmission royalties in the United States. Worldwide Subsidy Group conducted business under the name Independent Producers Group.

The Scheme and Artifice to Defraud

7. Beginning in or about July 1995, and continuing through in or about March 2001, the exact dates being unknown, in the District of Columbia and elsewhere, the defendant,

Raul C. GALAZ,

devised and intended to devise a scheme and artifice to defraud and to obtain money and property from the Copyright Office and the MPAA, by means of materially false and fraudulent pretenses, representations and promises.

Purpose of the Scheme and Artifice

8. It was the purpose of the scheme for defendant Raul C. GALAZ to fraudulently obtain cable and satellite retransmission royalties from the Copyright Office and the MPAA by falsely representing that fictitious business entities were owners, or agents of owners, of copyrighted programs and were entitled to receive royalty fees, which fees defendant Raul C. GALAZ converted to his own personal use.

Manner and Means of the Scheme and Artifice

9. It was a part of the scheme and artifice that defendant Raul C. GALAZ identified programs retransmitted on cable and satellite systems for which retransmission royalties were previously unclaimed.

10. It was a further part of the scheme and artifice that defendant Raul C. GALAZ made fraudulent submissions to the Copyright Office in which he used false and fraudulent aliases and fictitious business entities to claim entitlement to cable and satellite system retransmission royalties as detailed below:

MAILING DATE	CLAIM YEAR	ALIAS	FICTITIOUS BUSINESS ENTITY	PROGRAM
7/28/95	1994	Bill Taylor	Tracee Productions	Garfield and Friends
7/30/96	1995	Bill Taylor	Tracee Productions	Garfield and Friends

7/05/97	1996	Bill Taylor	Tracee Productions	Garfield and Friends
7/20/97	1996	Bennett Stablich	Agman Animation	Bone Chillers
7/10/98	1997	Bennett Stablich	Agman Animation	Bone Chillers
7/22/97	1996	Harry Lough	BAL Productions	Unsolved Mysteries
7/18/97	1996	John Motoran	Blink Productions	Blinky Bill
7/28/98	1996	John Motoran	Blink Productions	The People's Court
7/08/97	1996	Helen Reed	Golden Parachute Distribution	Goosebumps
7/08/98	1997	Helen Reed	Golden Parachute Distribution	Goosebumps
7/13/97	1996	George Palt	KickFilm Distribution	Walker, Texas Ranger
7/13/97	1996	James Hitchman	Pointe Media	Moesha
7/24/97	1996	Joel Sachs	Sachs Associates	Bananas In Pajamas
7/12/98	1997	Joel Sachs	Sachs Associates	Bananas In Pajamas
7/03/97	1996	Fred Demann	Tier Media	Teenage Mutant Ninja Turtles
7/13/98	1997	Fred Demann	Tier Media	Teenage Mutant Ninja Turtles

11. It was a further part of the scheme and artifice that defendant Raul C. GALAZ used various methods, means, and devices to misrepresent to the Copyright Office and the MPAA that cable and satellite retransmission royalties were due and owing, including but not limited to:

- (a) the use of false aliases in applications to and in correspondence with the Copyright Office and the MPAA;
- (b) the use of a telephone answering service in the name of fictitious business entities;

(c) the rental of private mail depositories in the name of fictitious business entities for the purpose of receiving correspondence from the Copyright Office and the MPAA;

(d) the opening of accounts at stock brokerage firms for Tracee Productions using the alias Francisco Dias;

(e) the opening of additional stock brokerage accounts under multiple false aliases by transferring stolen proceeds;

(f) the opening of an offshore bank account in Antigua in the name of Artist Collections Group, a Bahamas corporation;

(g) the transferring of \$129,000.00 of stolen proceeds to the Artist Collections Group offshore bank account;

(h) arranging the retention of an attorney to negotiate a settlement with the original owners of the copyright royalty rights to "Garfield and Friends."

12. It was a further part of the scheme and artifice that defendant Raul C. GALAZ converted to his own benefit the following sums of money to which he was not entitled, based on his fraudulent submission of claims relating to "Garfield and Friends":

<u>MPAA Check Number</u>	<u>Date</u>	<u>Amount of the Check</u>
(1) 00005813	12/17/96	\$80,700.00
(2) 00005907	4/07/97	\$17,916.00
(3) 00006324	2/09/98	\$189,984.00
(4) 00006419	4/23/98	\$39,703.00

13. It was a further part of the scheme and artifice that defendant Raul C. GALAZ concealed and perpetuated his scheme by testifying falsely under oath at a statutorily convened Copyright Arbitration Royalty Panel administrative proceeding that: (1) he was not Bill Taylor; (2) he did not have any involvement or interest in companies he represented in particular, Tracee Productions and the other companies identified in paragraph 10; and (3) he never filed a claim without authorization.

Execution of the Scheme and Artifice to Defraud

14. On or about July 31, 1997, the exact date being unknown, in the District of Columbia and elsewhere, the defendant,

Raul C. GALAZ,

for the purpose of executing the above-described scheme and artifice, and attempting to do so, placed and caused to be placed in an authorized depository for mail matter, to wit, an envelope containing a Tracee Productions claim for 1996 copyright retransmission royalties for the program "Garfield and Friends" and caused such matter to be delivered by the United States Postal Service according to the directions thereon from California to the United States Copyright Office located in Washington, D.C.

All in violation of Title 18, United States Code, Sections 1341 and 2.

May 29, 2002
DATE

ROSCOE C. HOWARD, JR.
United States Attorney
for the District of Columbia

By: William H. Bowne
William H. Bowne, III
Trial Attorney, Crim. Div., Fraud Section
1400 New York Avenue, N.W.
Washington, D.C.
Tel: 202-514-7023

U.S. DISTRICT COURT

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

202 MAY 29 PM 4:45

UNITED STATES OF AMERICA,)
MAYER-WHITTINGTON)
CLERK)
Plaintiff,)
)
v.)
)
Raul C. GALAZ,)
)
Defendant.)
_____)

Criminal No: **02-230**

FILED

MAY 30 2002

NANCY MAYER WHITTINGTON, CLERK
U.S. DISTRICT COURT

PLEA AGREEMENT

The defendant, defense counsel and the undersigned on behalf of the United States have executed the attached plea agreement in resolving criminal prosecution of the identified activities.

May 29, 2002
DATE

ROSCOE C. HOWARD, JR.
United States Attorney
for the District of Columbia

By: William H Bowne III
William H. Bowne, III
Trial Attorney, Crim. Div., Fraud Section
1400 New York Avenue, N.W.
Washington, D.C.
Tel: 202-514-7023

U.S. District and Bankruptcy Courts
for the District of Columbia

A TRUE COPY 5/14/14
ANGELA D. CAESAR, Clerk

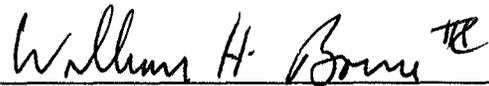
By: Sheryl Harris
Deputy Clerk

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the Plea Agreement in this case was served this day by first-class mail on counsel for defendant Raul C. Galaz at the following address:

Whitney C. Ellerman, Esq.
Janis, Schuelke & Wechsler
1728 Massachusetts Avenue, N.W.
Washington, D.C.

Dated: May 29, 2002



William H. Borne, III
Trial Attorney, U.S. Dept. Of Justice
Criminal Division, Fraud Section
10th and Constitution Avenues, N.W.
Bond Building
Washington, D.C. 20530
Tel: (202) 514-7023

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

v.

RAUL GALAZ

CRIMINAL NO.:

VIOLATION
18 U.S.C. § 1341
(Mail Fraud)

PLEA AGREEMENT

Pursuant to Rule 11 of the Federal Rules of Criminal Procedure, the United States of America, by the Fraud Section and the defendant, Raul Galaz, and his attorney agree as follows:

1. Defendant Galaz will waive Indictment and plead guilty in the United States District Court for the District of Columbia to the crime charged in the Information filed in the matter charging one count of Mail Fraud in violation of Title 18 United States Code § 1341.

2. Defendant Galaz is entering this agreement and is pleading guilty freely and voluntarily without promise or benefit of any kind, other than contained herein, and without threats, force, intimidation, or coercion of any kind.

3. The defendant knowingly, voluntarily, and truthfully admits the facts contained in the attached Information as the factual basis for Plea.

4. The defendant shall enter a plea of guilty to a one-count Information charging defendant with mail fraud, (18 U.S.C. § 1341), for engaging in a scheme and artifice to defraud the United States and the Motion Picture Association of America of money and property by making false statements and representations to the United States Copyright Office and to the Motion Picture Association of America and by giving materially false sworn testimony in a statutorily mandated administrative proceeding convened by the Library of Congress.

5. The defendant understands the nature of the offense to which he is pleading guilty, and the elements thereof, including the penalties provided by law. The charge

carries a maximum sentence of imprisonment for a term not to exceed five (5) years, a \$250,000 fine, or both, with a mandatory special assessment of \$100. The defendant understands that the Court may impose a term of Supervised Release to follow any incarceration, in accordance with Title 18, United States Code, Section 3583, and that, in this case, the authorized term of supervised release is not more than three years.

6. The defendant agrees to cooperate completely, candidly, and truthfully in the present investigation of a scheme to defraud the United States Copyright office and the Motion Picture Association of America. Specifically, the defendant agrees:

- a. To provide complete, truthful, and candid disclosure of information and all records, writings, tangible objects, or other requested materials of any kind or description that he has which relate directly or indirectly to the subject of this investigation;
- b. To answer completely, truthfully, and candidly all questions put to him by attorneys and law enforcement officials during the course of this investigation;
- c. To make himself available for interviews by attorneys and law enforcement officers of the government upon request and reasonable notice;
- d. Not to attempt to protect any person or entity through false information or omission, nor falsely to implicate any person or entity;
- e. To comply with any and all reasonable requests from federal government authorities with respect to the specific assistance that he shall provide;
- f. To answer, at trial, before the grand jury, or at any hearing or administrative proceeding arising out of this investigation, all questions put to him by the court or by the attorney for any party completely, truthfully, and candidly; and

- g. To provide a full and complete accounting of all assets to the Probation Office including real or intangible, held by him or in any other name for his benefit.

7. Pursuant to U.S.S.G. § 1B1.8, the United States and defendant agree that since defendant has agreed to cooperate with the United States, information provided by defendant about: 1) fraudulent claims and representations made in the name of Bill Taylor and Tracee Productions; 2) fraudulent claims and representations made in the names of eight other fictitious persons and associated companies identified paragraph 11 of Count 1 of the attached Information; and 3) false statements made during an administrative hearing conducted by a Copyright Arbitration Royalty Panel convened by the Library of Congress to determine 1997 copyright cable and satellite retransmission royalty distribution, shall not be held against him, except as follows:

- a. information that was known to the United States prior to the date this plea agreement and the interview of the defendant pursuant to an interview agreement;
- b. in a prosecution for perjury or giving a false statement pursuant to paragraph 12 of this agreement; and
- c. if there is a breach of this agreement by defendant as determined under the provisions of paragraphs 11 and 12. In the event of such a breach, the United States retains the right to make use of information and statements provided by defendant as described in paragraph 11.

8. Nothing in this plea agreement restricts the Court's or the Probation Office's access to information and records in the possession of the United States. Further, nothing in this agreement prevents the government in any way from prosecuting the defendant should the defendant provide false, untruthful or perjurious information or testimony.

9. In return for the defendant's full and truthful cooperation and his plea of guilty to the charges described in paragraph 1 of this agreement, the Fraud Section agrees to bring no additional criminal charges in the District of Columbia or any other judicial district against the defendant relating to or arising from the matters identified in the Criminal Information to which the defendant will plea guilty .

10. Should any other prosecuting jurisdiction attempt to use truthful information the defendant provides pursuant to this agreement against the defendant, the United States agrees, upon request, to contact that jurisdiction and ask that jurisdiction to abide by the provision contained in paragraph 8 of this agreement. The parties understand that the prosecuting jurisdiction retains discretion over whether to use such information.

11. If defendant fails to make a complete, truthful, and candid disclosure of information to federal law enforcement officers, government attorneys, and grand juries conducting this investigation, or to the Court, and/or if he fails to comply with any other of the material conditions and terms set forth in this agreement, he will have committed a material breach of the agreement which will release the government from its promises and commitments made in this agreement. Upon defendant's failure to comply with any of the terms and conditions set forth in this agreement, the government may fully prosecute him on all criminal charges that can be brought against him. In such a prosecution, the United States will have the right to make derivative use of any statement made by defendant pursuant to this cooperation agreement, and to impeach defendant with any such statements. Defendant waives any right to claim that evidence presented in such prosecution is tainted by virtue of the statements he has made.

12. In the event of a dispute as to whether defendant has knowingly given materially false, incomplete or misleading information in fulfilling the terms of his cooperation agreement or whether defendant has knowingly committed any other material breach of this agreement, and if the United States wants to exercise its rights under

paragraph 11, and if defendant so requests, the matter shall be submitted to the Court and shall be determined by the Court in an appropriate proceeding at which defendant's disclosures and documents shall be admissible and at which time the United States shall have the burden to establish the same by a preponderance of the evidence.

13. At all briefing and interviewing sessions conducted by investigators and/or attorneys for the government, defendant shall be entitled to the presence, advice, and assistance of counsel, unless waived.

14. This agreement is premised on the assumption that up to the time of sentencing defendant will have committed no new offenses since pleading guilty in this matter. Should it be determined, using a probable cause standard, that defendant has committed new offenses, the government may take whatever position it believes appropriate as to the sentence and terms of release. In addition, if in this plea agreement the United States has agreed to recommend or refrain from recommending to the sentencing judge a particular resolution of any sentencing issue, the Government reserves the right to full allocution in any post-sentence litigation in order to defend the sentencing judge's ultimate decision on such issues.

15. The defendant understands and acknowledges that the offenses with which he will be charged are subject to the provisions and guidelines of the "Sentencing Reform Act of 1984," Title 28, United States Code, Section 994(a).

16. The United States cannot and does not make any promise or representation as to what sentence the defendant will receive or what fines or restitution, if any, he may be ordered to pay. The defendant understands that the sentence and the sentencing guidelines applicable to his case will be determined solely by the Court, with the assistance of the United States Probation office, and that he will not be permitted to withdraw his plea regardless of the sentence calculated by the United States Probation office or imposed by the Court.

17. Defendant Galaz understands and acknowledges that he may receive any sentence within the statutory maximums for the offenses of conviction.

18. Defendant and the United States agree to recommend the following regarding the Sentencing Guidelines, but the Defendant understands such recommendations are not binding on the Probation Office or the Court, and further, that the Court may impose any sentence within the maximum statutory sentence for the offense of conviction:

- a. The applicable Guideline is § 2F1.1.
- b. The base offense level under § 2F1.1 is 6.
- c. The amount of loss and intended loss to the government was more than \$320,000 and less than \$350,000 and increases the offense level by 8 under § 2F1.1(b)(1).
- d. The offense involved more than minimal planning and warrants a 2 level increase under § 2F1.1(b)(2).
- e. The government reserves the right to argue and present evidence at sentencing demonstrating that the Defendant attempted to obstruct the administration of justice by providing materially false sworn testimony in a statutorily mandated administrative proceeding sanctioned by the Library of Congress and warrants a 2 level increase under § 3C1.1. However, the defendant reserves the right to argue the non-applicability of this enhancement.
- f. The United States will recommend a reduction of 3 levels under § 3E1.1(b), if the Defendant clearly demonstrates acceptance of responsibility for the instant offense, including cooperating fully with the presentence report writer, with the Court, and the Library of Congress in all proceedings arising from this matter, and by complying with the other provisions of this Agreement. If

the Defendant fails to do so, the United States may take any position it deems appropriate with respect to this reduction.

- g. The parties agree that no other sentencing enhancement provisions apply and recognize however, that their determination is not binding on either the Court or the Probation Department.
- h. The government reserves the right to argue at sentencing that correct adjusted offense level is 15 and that the Defendant should receive a sentence that includes an 18 month period of incarceration.

19. Defendant understands that the recommendations contained in paragraph 18 is not binding on the sentencing judge or the Probation Office, and that he will not be entitled to withdraw his plea in the event that either the sentencing judge or the Probation Office does not accept or follow these recommendations.

20. At the time of sentencing, the United States will advise the sentencing judge and the probation office of the full nature, extent, and value of any cooperation provided by defendant to the United States.

21. Defendant Galaz understands that the Court may impose a fine, restitution, costs of incarceration, and costs of supervision.

22. The United States reserves the right to allocute in all respects as to the nature and seriousness of the offense and to make a recommendation as to sentencing. The attorney for the United States will inform the sentencing Judge and the Probation Office of (1) this agreement; (2) the nature and extent of defendant Galaz's activities with respect to this case; and (3) all other information in its possession relevant to sentencing.

23. Defendant Galaz agrees that if the Court does not accept his plea of guilty to the Information, this agreement shall be null and void.

24. Defendant understands that this agreement is binding only upon the Fraud Section of the Department of Justice. This agreement does not bind the Civil Division of

any United States Attorney's Office, the Tax Division of the Department of Justice, nor does it bind any state or local prosecutor. It also does not bar or compromise any civil or administrative claim pending or that may be made against the defendant. The United States will, however, bring this agreement and the full extent of defendant's cooperation to the attention of other prosecuting offices if requested.

25. This agreement constitutes the entire agreement between the United States and defendant Galaz. No other promises, agreements, or representations exist or have been made to defendant Galaz or his attorneys by the Department of Justice in connection with this case. This agreement may be amended only by a writing signed by all parties.

Dated this 29th day of May, 2002.

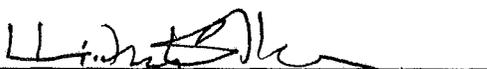
FOR THE DEFENDANT



RAUL GALAZ

FOR THE UNITED STATES

JOSHUA R. HOCHBERG
CHIEF, FRAUD SECTION
FOR THE DEPARTMENT OF JUSTICE



WHITNEY C. ELLERMAN
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By: 

WILLIAM H. BOWNE
Trial Attorney, Fraud Section
U.S. Department of Justice
1400 New York Ave., N.W., Rm. 4114
Washington, D.C. 20005
(202) 514-7023



The Register of Copyrights
of the
United States of America

Library of Congress
Department 17
Washington, D.C. 20540

(202) 707-8350

September 13, 2002

The Honorable Henry H. Kennedy, Jr.
United States District Court for the
District of Columbia
333 Constitution Avenue, N.W.
Washington, D.C. 20001

Re: United States v. Raul C. Galaz,
Criminal No. 02-230

Dear Judge Kennedy:

The United States Copyright Office ("the Office") thanks the Court for the opportunity to submit the following Victim Impact Statement.

The Copyright Office is a service unit of the Library of Congress and has responsibility for administering the compulsory licenses established by title 17, United States Code, and the Copyright Arbitration Royalty Panels that set rates and terms and determine the distribution of royalties.

A compulsory license is a statutory copyright licensing scheme whereby copyright owners are required to license their works to users at a government-fixed price and under government-set terms and conditions. Section 111 of title 17 of the United States Code allows a cable system to retransmit both radio and television broadcast programming to its subscribers who pay a fee for such service. Likewise, section 119 of title 17 of the United States Code allows a satellite carrier to retransmit television (but not radio) broadcast programming to satellite home dish owners for their private home viewing. Cable systems and satellite carriers are required to submit royalties to the Copyright Office for the carriage of each signal on a semiannual basis in accordance with prescribed statutory royalty rates. These royalties are distributed later to the copyright owners of the broadcast programming.

The first step in the distribution process is that copyright owners claiming to be entitled to cable and satellite royalties are required to file with the Librarian of Congress ("Librarian") claims during the month of July each year for the previous calendar year's royalties. 17 U.S.C. §§ 111(d)(4)(A), 119(b)(4)(A). Once the claims to the cable and satellite royalty funds have been filed with the Copyright Office, the Office examines each claim to determine the timeliness and legal sufficiency of the claim. However, the Office accepts the information provided in each claim as facially valid and, therefore, does not look behind the information provided in the claim.

SDC-P-005

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The current filing system is founded on trust--trust that the copyright owners and the agents filing claims are providing the Office with truthful information and are authorized to file such claims. Thus, in order to ensure that copyright owners with legitimate claims are rightfully compensated, the system depends upon the honesty of those filing claims. Raul Galaz has broken that trust, and his criminal actions constitute an attack on the integrity of the entire royalty fee distribution process created by Congress.

As Mr. Galaz has admitted, he filed with the Copyright Office several false cable and satellite claims using various "false and fraudulent aliases and fictitious business entities" in order to receive cable and satellite royalties for several years to which he was not entitled. Factual Proffer, filed June 20, 2002, at 1-2. One such fictitious business entity was Tracee Productions. Mr. Galaz filed cable and satellite claims for the years 1994-1996 in the name of Tracee Productions claiming an ownership interest in the cable and satellite royalty funds for the program "Garfield and Friends." *Id.* at 1-3. As a result of his fraudulent submission of claims relating to "Garfield and Friends," Mr. Galaz "converted to his own benefit" over \$328,000 of cable and satellite royalty funds. *Id.* at 3.

The Librarian can distribute only those royalties that are not in controversy. 17 U.S.C. §§ 111(d)(4)(B), 119(b)(4)(B). Thus, if copyright owners are able to agree on how the royalties are to be divided among themselves, the Librarian is authorized to distribute the funds. If, however, copyright owners are not able to reach a settlement regarding the division of the royalties, then the Librarian must convene a Copyright Arbitration Royalty Panel ("CARP") to determine the distribution of the royalties. *Id.* The CARP is comprised of three arbitrators who hear evidence from the copyright owners on how the royalties should be distributed. This is a more costly route, as both the Library's administrative costs and the arbitrators' fees are deducted from the funds to be distributed. 17 U.S.C. §§ 801(d), 802(h)(1). Therefore, settlement among the copyright owners is desirable because it avoids the considerable costs of a proceeding before a CARP.

The filing of false claims significantly decreases, if not totally eliminates, the possibility of settlement. When the legitimacy of a particular claimant is at issue, there is a controversy regarding the distribution of the funds, and a CARP must be empaneled to resolve the controversy. For example, as the Court is aware, Mr. Galaz was a participant in the recently concluded CARP proceeding to determine the distribution of 1997 cable royalty funds in the syndicated programming category. The need for this proceeding arose in part because there were questions surrounding the legitimacy of certain claims filed by Mr. Galaz. The Motion Picture Association of America ("MPAA") deemed it necessary to challenge Mr. Galaz's eligibility to file claims on behalf of certain copyright owners in a CARP proceeding. The CARP found that Mr. Galaz "made a number of unrealistic assertions about names of parties, companies, and organization names, and royalty claimant status." CARP Report, dated April 16, 2001, at 42. In fact, it is my understanding that Mr. Galaz has admitted that he testified falsely before the CARP in order to conceal his criminal actions.

The end result is that Mr. Galaz's deceit increased the costs of the CARP proceeding because of the time the CARP spent determining the validity of Mr. Galaz's claims. Consequently, legitimate copyright owners have suffered a significant delay in receiving their royalties, and the royalties they ultimately receive will be reduced by the cost of that proceeding.

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The ramifications of Mr. Galaz's crime extend beyond the 1997 cable distribution proceeding. Mr. Galaz, or entities in which he has an interest, have filed cable and satellite claims for the years 1998 through 2001. The Office cannot accept these claims at face value, as the Office has no confidence in the veracity of the information provided therein. Thus, before commencing proceedings to distribute those funds, the Office will need to investigate the veracity of the provided information. Such investigation will increase the Library's administrative costs and will delay the receipt of royalties by legitimate copyright owners.

In addition, the Office will need to reexamine the claims filing system as a whole to determine whether safeguards can be put into place to prevent such flouting of the system in the future. Such safeguards likely will lead to a more costly system, as the Office can no longer afford to accept each claim at face value. Any changes to the filing system which the Office implements likely will lead to more stringent filing requirements, thus making the filing of claims more onerous on all copyright owners. More stringent filing requirements may also increase the amount of time needed for the Office to process the claims, thus resulting in greater administrative expense.

Finally, the Office feels strongly that Mr. Galaz must serve significant jail time for his crime. His criminal actions have resulted in the obtaining by false pretenses of significant funds from the cable and satellite royalty pools deposited with the Copyright Office that should have gone to legitimate copyright owners. His actions have increased administrative costs and delayed the receipt of royalties by legitimate copyright owners.

Furthermore, the Office has reason to believe that Mr. Galaz is continuing to conduct business in the usual course. On the day before his plea hearing, Mr. Galaz was at the Office examining cable and satellite claims. In order to better ensure that Mr. Galaz does not again wreak havoc on the claims filing system and given the administrative costs associated with his future participation in distribution proceedings, the Office also requests that the Court ban Mr. Galaz or any entity in which he has an interest from filing with the Office future cable or satellite claims and from pursuing claims which he or such entities have already filed. The Office requests that such a ban be imposed as part of his sentence and/or as a condition of his supervised release. Such a ban would not infringe Mr. Galaz's rights, as he is not a copyright owner and merely acts as an agent for those copyright owners who have a valid claim. Nor would the rights of those copyright owners represented by him be compromised. Those copyright owners could either file or pursue their claims themselves or could seek new agents to file or pursue claims on their behalf.

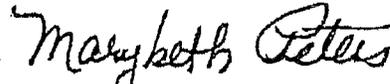
To that end, the Office requests that the Court order Mr. Galaz to release all copyright owners with whom he has a contractual relationship from their obligation to have their claims filed or pursued by him or by any entity in which he has an interest. Pursuant to the mandate agreement posted on the website of the Independent Producers Group, such copyright owners have granted to Mr. Galaz the exclusive right to apply for and collect cable and satellite royalties on their behalf. Therefore, these copyright owners are contractually bound to use him or an entity in which he has an interest to act as their agent before the Office. Moreover, it is our understanding that he has every intention of enforcing these agreements and is currently pursuing legal action against copyright owners who, having learned of his fraudulent activities, seek to void their agreements and obtain new representation. Ordering Mr. Galaz

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to release these copyright owners from their contractual obligation will allow them to pursue their claims without incurring the expense to void their contract with Mr. Galaz and will allow them to pursue their claims as they see fit. In addition, such an order would better ensure that Mr. Galaz derives no further financial benefit from this enterprise.

The Copyright Office takes a dim view of the filing of false claims. Accordingly, the Office requests that the Court impose a sentence commensurate with the gravity of Mr. Galaz's crime.

Respectfully submitted,



Marybeth Peters
Register of Copyrights

----- *
UNITED STATES OF AMERICA,
02-0230 "

Plaintiff,

v.

RAUL GALAZ (PR),

Defendant.
----- *

: Docket No. CR

: Washington, D.C.

: November 15, 2002

: 11:15 a.m.

TRANSCRIPT OF SENTENCING
BEFORE THE HONORABLE HENRY H. KENNEDY, JR.
UNITED STATES DISTRICT JUDGE

APPEARANCES:

For the Plaintiff: WILLIAM BOWNE, III, ESQ.

For the Defendant: WHITNEY ELLERMAN, ESQ.

DOLORES A. BYERS, CSR, RPR
Official Court Reporter

SDC-P-006

P R O C E E D I N G S

THE CLERK: United States of America versus Raul Galaz. Criminal Action 02-0230, Whitney Ellerman for the government, William Bowne, the third, for the defendant. Probation Officer George Neal.

THE COURT: I think it's just the opposite. Good morning.

Mr. Ellerman, you represent the defendant, don't you?

MR. ELLERMAN: I do, Your Honor.

THE COURT: And Mr. Bowne represents the government.

Mr. Galaz is before the Court this morning to be sentenced. The procedure that I will follow is that I will first hear from Mr. Ellerman, Mr. Galaz's attorney. I will then here from Mr. Bowne. I'll then hear from Mr. Ellerman again if Mr. Bowne should say anything that was not anticipated during the first presentation and then I'll finally hear from Mr. Galaz.

I have read the presentence report in this case, the government's sentencing memorandum which was devoted to whether the Court should impose a two-level enhancement for obstruction of justice for Mr. Galaz's false testimony before the Copyright Arbitration Royalty Panel.

I understand that that now has been a matter that has been resolved in the sense that it's not contested that Mr. Galaz should receive such an enhancement. I've also read the defendant's memorandum in aid of sentencing. I've also read the victim impact statement of the Motion Picture

Association of America. Also, there were letters written on Mr. Galaz's behalf by friends and his wife. And I've read those.

Are you ready to proceed, Mr. Ellerman?

MR. ELLERMAN: I am, Your Honor.

THE COURT: Mr. Bowne, are you?

MR. BOWNE: Yes, Your Honor.

THE COURT: You may proceed.

MR. ELLERMAN: Good morning, Your Honor.

This is somewhat an unusual case as the Court, I'm sure, is aware where there is very little dispute between what Mr. Galaz is seeking from the Court and what the government is seeking. Most of this is set out in our papers in Mr. Galaz's sentencing memo. And, as the Court already pointed out, the government's memo has addressed pretty much exclusively to the two-point enhancement that we are not contesting.

Instead of going through each of the arguments that have already been set out in defendant's memorandum, I just want to highlight a few things for the Court. First, as is pointed out in there, Mr. Galaz has a background that but-for this experience in his life has been exemplary. He has no criminal history as the Court knows from reading his background. He was a very successful undergraduate student, a very successful law student at a top law school. He was a successful businessman. And he then did something which brought him here for which he is profoundly, profoundly regretful because he --

THE COURT: He did several things, didn't he?

MR. ELLERMAN: He did several things, Your Honor, all linked to the same set of events. And, again, he's profoundly regretful for what he did. And if the Court gives him the opportunity, I believe he will express that to Your Honor.

I also want to point out to the Court that he has a very supportive family. Many of them are here on this side of the courtroom. He has his father, his wife, his sisters. Spouses and friends of his sisters are here to support him which, as the Court knows, is important in terms of whatever sentence the Court imposes, when he is to go back into society and resume his life, having a supportive family makes it so much more likely that he's going to be able to be on a path that is productive and proper. And I would ask the Court to at least take that into consideration.

Again, the requested sentence that we're seeking is what the government, I believe, is also seeking which is contained in the memorandum which is what is contained in the plea agreement and that plea agreement significantly is the result of a very early cooperation effort by Mr. Galaz. Shortly, within days of coming to my office and meeting with me and my partner Dick Janus we contacted the government at Mr. Galaz's request and started a procedure where he engaged in several lengthy proffer sessions all at his initiation where he provided them with everything he knew about this background.

Again, that was early and it was at his own initiative which is, in part, why we believe the

three-point acceptance of responsibility enhancement or just a reduction is appropriate. So, again, we would ask that the Court follow what was in the plea agreement and what is set forth in the defendant's memorandum in aid of sentencing.

Thank you.

THE COURT: Mr. Bowne?

MR. BOWNE: Thank you, Your Honor.

Your Honor, the government is very cognizant of the fact that the loss in this case is one element that the court needs to consider and it's significant, \$328,000, which the Defendant Galaz or which Mr. Galaz received as a result of his activities. But it's more widespread than that. There was also damage to the entire system of compensation for copyright owners. And that is best explained in the written presentation that was made by the United States Copyright Office which I received and forwarded to the Court. You should have received that. I don't know if you have or not. But it was acknowledged by the presentence writer, the probation officer,

THE COURT: Well, whatever he acknowledged I have.

MR. BOWNE: Okay. And it went on to explain the fact that the copyright office is now going to have to change the way it does business. It had previously relied on the trust of the claimants to only file lawful claims, claims for property that they owned and that has now all changed.

An additional element of damage that will be

incurred in the future is the collateral damage and that's the damage to the copyright holders who have in the past been able to receive their royalty payments as expeditiously as possible. Now there will be increased administrative costs and delay. The costs will be deducted from the amounts received prorata and the delay in processing those claims will be extended.

The government agrees to every representation that it made in the plea agreement. And there's just one issue for the Court's determination that remains outstanding and that is that the government agreed to three-level departure based on acceptance of responsibility and that was contingent on the defendant's continued cooperation not only with the government but with the Court and the probation officer and the presentence investigation.

During the course of the presentence investigation in the preliminary report, it appeared that there may have been some misstatements or false information provided by the defendant to the probation officer. The government provided additional documentation to challenge this and at this time I don't know ultimately how the probation officer made a determination or what the determination was, whether or not there was any attempts to deceive them in providing information.

If the probation office is satisfied that they received truthful information from Defendant Galaz as to his assets and his income stream, then the government would support the award of the three-level downward departure.

If, however, the Court finds that the defendant was not truthful in providing information to the copyright office or there was any attempt to deceive the presentence report writer, then the government would exercise its rights under the plea agreement and not recommend a downward departure. That's really for the Court's determination based on what the presentence report writer determined.

THE COURT: Well, what the presentence writer determined is in the presentence report.

MR. BOWNE: I read that and it made reference to an addendum, that certain information that the government presented would be addressed in the addendum. I don't know what the final determination was, whether or not the presentence report writer believes that the defendant had completely cooperated with them.

THE COURT: Mr. Neal was not the writer of this report.

PROBATION OFFICER: Your Honor, the final report is a record of the probation office.

MR. BOWNE: In that case, Your Honor, the government would advocate that the Court award the three-level reduction for acceptance of responsibility and that the Court find that the defendant is at a level 15 and requires or would receive an 18-month period of incarceration.

The government also asks that the Court orders full restitution in the amount of \$328,000, that the Court set an appropriate fine in the Court's discretion, that a fine is warranted in this matter and that an appropriate

fine should be determined by the Court.

THE COURT: Mr. Ellerman in his memorandum requested the Court to recommend to the Federal Bureau of Prisons that any sentence that Mr. Galaz serve be served in a halfway house. What, if any, response do you have?

MR. BOWNE: We would oppose a halfway house, Your Honor. We agreed to any institution, penal institution and a level of the least restrictive incarceration but incarceration not in a halfway house but in a facility itself.

The government, also, believes that it's in the public interest to support the request by the victims specifically the United States Copyright Office, that the defendant be precluded from being associated with any claims filed with the United States Copyright Office during any term of incarceration or period of supervised release. We think that's appropriate under the circumstances.

And, finally, the victims, the copyright office and MPAA have provided the Court with written presentations. However, if the Court should have any questions, I'm advised that both the copyright office and MPAA have representatives attending today's proceeding if the Court should have questions for them.

THE COURT: As I said, I read the letter which was extensive.

MR. BOWNE: Thank you, Your Honor.

THE COURT: Mr. Ellerman.

MR. ELLERMAN: Very briefly because, as I stated before, it appears the government and the defendant are

essentially on the same page but just to address a few points.

The Court just raised with Mr. Bowne the defendant's request that he serve his sentence in a halfway house. I just would like to reiterate, although those arguments are in my papers, in this case, although I realize it would be unusual in a level 15 sentencing given his back ground and his circumstances that he is someone who would be appropriate to serve his entire sentence in a halfway house, given that he has children to whom he has a financial obligation that he wants and intends to fulfill, given the strictly economic nature of the offense, given that most of the acts that occurred here occurred several years ago and given his contrition which is evidenced by his cooperation and his willingness to accept full responsibility for what he did, the sooner Mr. Galaz can work the sooner he can pay restitution and the sooner he can support his family and those are all important policy objectives.

The counter objective is that he serve punishment. Being in a halfway house is punishment. And I think the government's interest in seeing that there is some consequence to his actions can be served by a recommendation to the Bureau of Prisons that he serve the entire sentence in a halfway house.

There is, also, a request that Mr. Bowne just made in terms of having the Court involved in Mr. Galaz's activities after he serves whatever sentence the Court imposes. Presumably that would be some restrictions on his

involvement in the copyright business during some period of supervisory release. I would ask the Court, given again that the sooner he works, the sooner he can pay restitution, that there must be some allowance for Mr. Galaz to earn a living.

It is clear that he will not be practicing law any time in the near future. He has an expertise in this area. Mr. Galaz fully appreciates that the Court is concerned about the possibility that if he's allowed to do -- to have some involvement in that business that these issues that have happened before could happen again.

And Mr. Galaz can appreciate if the Court would want to impose some restrictions on that ability. What Mr. Galaz requests is that it not be a complete restriction. If the Court is inclined to impose some restrictions, that it do it in such a way that he can still use his expertise in a way that doesn't put any risk to the public but at the same time allows him to earn a living.

And there are several different ways that he can do that. For instance, he can act as a consultant to a different business. He would not be the person interfacing with clients or seeking clients but he could be a consultant to various businesses that are in the copyright office. Again, the point is that he not be completely precluded from working in that business.

Mr. Galaz's request as to a fine which is that the Court not impose one or impose one at the low end of the guidelines is in defendant's memorandum and the reasons for that are obvious. His financial picture is not good.

It's not going to get better. And he fully intends on making restitution but at some point he can only do so much particularly if there are restrictions on his ability to work when he finishes whatever sentence the Court imposes on him.

Thank you.

If I may, Your Honor, one other -- at the end there is a request for self-surrender. I don't believe the government addressed that. But, again, Mr. Galaz would ask that the Court allow him to self-surrender to the Bureau of Prisons. Given that he has two children, two small children, he would ask that that date be set sometime after Christmas of this year. Perhaps January 1st would be an appropriate date so he can at least spend the Christmas holidays with his children before serving a sentence.

Thank you.

THE COURT: Mr. Galaz.

THE DEFENDANT: I've had a lot of time to think about this. My first contact with Mr. Bowne occurred September of or July of last year. And in some respects it has been good for me from the standpoint that it has been -- it has given me time to reflect upon what I've done and I guess really focus on my life's priorities. But it has been bad at the same time because it's something you just want to get over with.

I am profoundly sorry for everything that I've done and, like I said, a lot of good and bad have come of it. It has actually helped me with my family." And I don't think I really could have or I could have -- I should have

foreseen the pain that has resulted and not so much to me but to my family. And I'm not being terribly articulate.

I guess if I had anything to say it's just that I am sincerely regretful for everything I've done. And I apologize to -- it's too many to apologize to particularly my family. It's just the hardest thing in the world to try to explain it to them and to try to keep it from my kids who will learn about it when they get older. But for the time being I don't want them to know. And it's becoming increasingly difficult because the publication surrounded some of my activities. I'm just hoping that it doesn't get back to a parent of one of their friends.

That's all I have to say. Thank you, Your Honor.

THE COURT: It's not unusual that this Court is in the position of rendering a sentence that does not fully serve any one's interests. So be it. That is how the sentencing regime works.

Mr. Galaz, I don't know -- there are two separate pictures painted of you. One is of a person who made one bad mistake. Mr. Ellerman I think was correct and pointed out that the several things that you did, the several criminal acts you did originated from one scheme. But to be sure there were several things over an extended period of time including lying before the Copyright Arbitration Review Panel and this from a person who unlike most of the people who come before me has had the best of everything.

And I, as I indicated, I read your wife's letter, a very, very, very articulate letter explaining something about your background and how you weren't born with a

silver spoon in your mouth, I have no reason to doubt anything that's said. But I can't -- it's simple beyond dispute that the people who come before me and, indeed, the people who just travel this earth you are a favored person. And to use your privilege the way you did is just awful and harmful, harmful in a way that no sentence is going to be able to really compensate for.

The Court will not impose restitution in any amount other than that agreed upon. The Court has considered the MPAA's letter and statement of loss. To attempt to fully compensate those injuries or loss is beyond the scope of this proceeding and the Court simply will not do that. The Court, again, though understands that there is a lot of loss here that Mr. Borne talks about -- the damage to the system. That simple can't be repaired, period.

This is the sentence of the Court which, of course, pursuant to the Sentencing Reform Act of 1984. It is hereby ordered that Raul Galaz be committed to the custody of the Bureau of Prisons to be imprisoned for a term of 18 months. The Court will not recommend that the sentence be served in a halfway house.

It is ordered that the defendant make restitution in the amount of of America to the attention of Marsha E. Kessler, vice president.

It is also ordered that the defendant pay a fine in the amount of \$4,000. Payment of the fine should be submitted at not less than \$500 per month.

It is further ordered that the defendant pay a

special assessment of \$100. The special assessment is due immediately and shall be paid to the Clerk of the Court.

Within thirty days of any change of address, mailing or residence, the defendant shall notify the Clerk of the Court for the U.S. District Court of the change until such time as the financial obligation is paid in full.

Upon release from imprisonment the defendant shall be placed on supervised release for a term of three years. Within 72 hours of release from the custody of the Bureau of Prisons he shall report to the United States Probation Office in the district to which he is released.

Mr. Galaz shall abide by the general conditions of supervision adopted by the U.S. Probation Office. In addition Mr. Galaz shall comply with the following special conditions:

He shall provide the probation office with access to any requested financial information. Any financial information requested by the United States Probation Office shall be honored. Mr. Galaz shall not incur any new credit charges or open any additional lines of credit without the approval of the United States Probation Office.

Mr. Galaz shall file no further claims with the U.S. Copyright Office unless he presents written authorization from the company verifying his representation.

The requirement of periodic drug testing is waived. The Court recommends that Mr. Galaz be imprisoned in the Southern District of Texas.

That is correct, is it not, Mr. Ellerman?

MR. ELLERMAN: The western.

THE COURT: To the Western District of Texas.

Mr. Galaz will be permitted to self report at such time as he is ordered to do so by the United States Probation Office.

Mr. Galaz, you have ten days in which to note an appeal.

Mr. Bowne, anything further?

MR. BOWNE: No, Your Honor.

THE COURT: Mr. Ellerman?

MR. ELLERMAN: No, Your Honor.

THE COURT: Good day.

(Whereupon, at 11:42 a.m., the sentencing in the above-entitled matter concluded.)

CERTIFICATE OF COURT REPORTER

I hereby certify that the foregoing is a correct transcript in the proceedings in the above-entitled matter.

DOLores A. BYERS, CSR, RPR

OFFICIAL COURT REPORTER

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA,
Plaintiff

v.

RAUL C. GALAZ,
Defendant

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§

Case No. 02-0230-01 (HHK)

FILED

DEC 19 2005

NANCY MAYER WHITTINGTON, CLERK
U.S. DISTRICT COURT

**DEFENDANT'S REPLY BRIEF IN SUPPORT OF
MOTION FOR CLARIFICATION ON RULING
OR, ALTERNATIVELY, MODIFICATION OF JUDGMENT**

TO THE HONORABLE JUDGE OF SAID COURT:

Defendant Raul C. Galaz ("Raul Galaz") hereby submits *Defendant's Reply Brief In Support of Motion for Clarification on Ruling or, Alternatively, Modification of Judgment*, and states the following:

I. ARGUMENT

A. The Government's Response Relies On Several Significant Mischaracterizations.

Several, significant mischaracterizations appear within the Government's Response to Raul Galaz's Motion. The most significant of which appear to originate with Galaz's assigned U.S. Probation Officer. Notwithstanding, the Government has obviously failed to compare the numerous misunderstandings of Galaz's Probation Officer with the documented facts of this case, and adopted these misunderstandings as its own.

ERROR #1: Galaz has not "requested to be employed on a part time basis with the same business he created and used to commit his federal offense."

SDC-P-007

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U.S. District and Bankruptcy Courts
for the District of Columbia

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ANGELA D. CAESAR, CLERK

By *Sherry*
Deputy Clerk

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The Government attaches a letter authored by Galaz's Probation Officer, which purports to explain why Galaz's request to work in the retransmission royalty industry has been denied. The opening phrase of such letter states, "Mr. Galaz has requested to be employed on a part time basis with the same business he created and used to commit his federal offense." See Response at Exhibit 1. The Government's Response incorporates this statement, going so far as to state "Defendant Galaz's former wife, Lisa Katona Galaz, was contemporaneously involved with the organization, Independent Producers Group (IPG), d/b/a Worldwide Subsidy Group (WSG), at the time when defendant Galaz utilized that organization to commit the instant offense."

These statements are 100% false. Galaz's Probation Officer might be under this misimpression, the Government is not. At no time did Galaz utilize or involve the entity Worldwide Subsidy Group with his crime, nor was this ever alleged. This fact was discussed *ad nauseum* with the Government's prosecutor before and after Galaz's plea in this case. Although Galaz filed claims with the Copyright Office falsely purporting to own certain television programs, it was performed through an alias. At no time did Galaz perform any illegal acts through or in any way related to the legitimate entity for which he now seeks employment. In fact, Galaz's actions pre-dated the organization of Worldwide Subsidy Group. These facts are very clear.

Why Galaz's Probation Officer was under such a significant misunderstanding is unknown. If such misimpression had been articulated earlier, it could have been corrected. The Government, however, is expressly aware that Worldwide Subsidy Group was uninvolved, and

WSG's only connection with this criminal action was that Galaz had formerly been a principal of such company.

ERROR #2: Galaz has not requested permission to file claims with the U.S. Copyright Office.

According to the Government, "Mark Hewett, the United States Probation Officer responsible for supervising defendant Galaz, determined that he cannot effectively monitor Galaz's activities if the defendant were again allowed to file claims for copyright royalties." Response at 2.

Review of the letter authored by Galaz's Probation Officer reflects the multiple duties in which Galaz has purportedly requested to be engaged, including "updating a computer program, operating the client database, performing analyses, finding new clients, calculating royalties owed to clients, *writing and filing applications to the U.S. Copyright Office* for royalties due to clients, doing accounting, and reviewing client files to assess the value of their royalty claims." See Response at Exhibit 1 (emphasis added). The Government hones in on only one of these purported duties, the *filing of claims* with the Copyright Office, and fails to explain why any of the other duties would be objectionable.

As an initial matter, it should be noted that the only restriction ever placed on Galaz's engagement in the retransmission royalty industry related to the "filing of claims", the action which stood as the basis of his culpability. This Court already considered the appropriate restriction for Galaz's filing of claims and determined that "The defendant shall file no further

claims with the United States Copyright Office unless he presents written authorization from the company verifying his representation.” At no time did the Court entertain or suggest that there should be a restriction on any other activity unrelated to the crime committed by Galaz.

More importantly, Galaz has specifically informed his Probation Officer, and his Motion makes clear, that he has not requested permission to file claims with the U.S. Copyright Office.

As the first relevant factor to be considered by the Court, Galaz notes the following, *verbatim*:

“Although the industry for which Raul Galaz is proposing part-time employment is the same as that for which his conviction was related, *his proposed employment does not involve the acts for which he was convicted, i.e., the filing of claims to television programs and receipt of monies.* Specifically, Raul Galaz is proposing that he be allowed to engage in the computer analysis of claims that have already been on file with the U.S. Copyright Office for several years, and to advocate the rights associated therewith in connection with public proceedings before the U.S. Copyright Office. *He does not propose that he will be filing new claims for collecting monies.* There is literally no overlap between the activities for which Raul Galaz would be employed and the crime for which he was convicted.” Motion at 5 (emphasis added).

As such, the Government’s argument that Galaz not be allowed to “file claims” with the U.S. Copyright Office is the proverbial “straw man argument” that is set up only because it can be easily knocked down - - Galaz has not requested any authority to file claims with the U.S. Copyright Office.

ERROR #3: Galaz did not exhibit “absolute contempt for the authority of the copyright system” by lying while under oath before its adjudicative tribunal.

Again coattailing on the letter written by Galaz’s Probation Officer, the Government asserts that Galaz exhibited “absolute contempt for the authority of the copyright system” by lying while under oath before its adjudicative tribunal. At no time has there ever been description of the

“lie” that took place before the Copyright Arbitration Royalty Panel.

The “lie” that is referenced was a few questions in which Galaz was asked, in an unrelated proceeding, whether he had made the false claims to the Copyright Office that ultimately stood as the basis of his conviction. Startled and unaware that such matters would even be raised in the unrelated proceeding, and with a moment to think, Galaz simply denied his crime. Such denial, rather than a refusal to answer the question or an answer invoking rights under the Fifth Amendment, was wrong. But while wrong, such action did not display the exaggerated “absolute contempt for the authority of the copyright system” that the Government asserts.

Galaz accepted responsibility for his action, and received a two point sentencing enhancement as a result. Contrary to any assertion of the Government, Galaz has demonstrated nothing but “respect for authority at all times by his behavior and demeanor”, at least according to the senior official of the federal prison camp where Galaz was incarcerated for 14 months. See Motion at Exhibit C.

B. Galaz should be entitled an Oral Hearing on his motion.

Whether it is knowing or inadvertent, the Government’s Response relies on several material misstatements relating to the factual background surrounding Galaz’s case, and the relief that is requested by Galaz. It is specifically for this reason that Galaz should be entitled an oral hearing on his motion, i.e., in order to address the Court and clarify any misstatements, any misunderstandings, and any constructive means by which the Government’s concerns may be addressed, without denying Galaz entry into his chosen, expert profession.

Galaz would like to have the opportunity to address the Court. Further, the Government's assertion that a single hearing, on this narrow briefed issue, would be "costly and unnecessary," is again an exaggeration more designed to deny review of the facts than to allow the Court to make an informed decision.

II. CONCLUSION

In one year and five months Galaz will have completed his supervised release and will be capable of participating in the retransmission royalty profession, without *any* restriction. Although the "gut feeling" of his Probation Officer is that Galaz will not recidivate (see Response at Exhibit 1), although the opinion of the senior official of the federal prison camp where Galaz was incarcerated is that Galaz has demonstrated nothing but "respect for authority at all times by his behavior and demeanor" (see Motion at Exhibit C), although this Court has already expressly addressed and rejected a more restricted participation for Galaz in the retransmission royalty industry, the Government still seeks to preclude Galaz's involvement.

In light of the foregoing, the Government's position reflects an appearance of ulterior motives - - an attempt to exact a more stringent sentence, an attempt to save the Probation Office the "trouble" of monitoring Galaz's activities, or simply an attempt to placate business competitors that continue to assist the Government. Galaz, however, has fully-complied with the terms of his sentence with the reasonable expectation that doing so would qualify him for participation in the industry for which he is recognized as an expert. He deserves this justice, and these ulterior motives cannot take priority.

At this time, Raul Galaz is requesting that the Court clarify that its Judgment in the above matter entitles him to engage in the profession of television royalty collection during his period of supervised release, subject only to the caveat already set forth in the Judgment rendered by the Court, or alternatively issue an Order expressly allowing Raul Galaz to engage in the profession of television royalty collection, subject to his obligation to comply with his other requirements of supervised release.

Respectfully submitted,

By: 
RAUL C. GALAZ
Pro Se

CERTIFICATE OF SERVICE

I hereby certify that on the 12 day of December, 2005 a true and correct copy of *Defendant's Reply Brief In Support of Motion for Clarification on Ruling or, Alternatively, Modification of Judgment* was served upon the following persons:

VIA U.S. MAIL to the following:

William Bowne III
Trial Attorney
U.S. Department of Justice
1400 New York Ave., N.W., Rm. 4114
Washington, D.C. 20005
(202) 514-7023

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(210) 472-6590



Raul C. Galaz

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA,
Plaintiff

v.

RAUL C. GALAZ,
Defendant

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Case No. 02-0230-01 (HHK)

FILED

DEC 29 2005

NANCY MAYER WHITTINGTON, CLERK
U.S. DISTRICT COURT

**DEFENDANT'S ADDITIONAL REPLY BRIEF IN SUPPORT OF
MOTION FOR CLARIFICATION ON RULING
OR, ALTERNATIVELY, MODIFICATION OF JUDGMENT
- - RESPONDING DIRECTLY TO AMICUS BRIEF OF
- THE MOTION PICTURE ASSOCIATION OF AMERICA**

TO THE HONORABLE JUDGE OF SAID COURT:

Defendant Raul C. Galaz ("Raul Galaz") hereby submits *Defendant's Additional Reply Brief In Support of Motion for Clarification on Ruling or, Alternatively, Modification of Judgment - - Responding Directly to Amicus Brief of the Motion Picture Association of America*, and states the following:

I. ARGUMENT

A. The Amicus Brief of the MPAA Belies Unstated Alterior Motives.

The Motion Picture Association of America ("MPAA") is a business competitor of Worldwide Subsidy Group, the entity that Raul Galaz has requested employ him on a part-time basis. Contrary to the suggestion of the *amicus* brief filed by the MPAA, the MPAA is not concerned that Raul Galaz will engage in any misconduct that will cause harm to the Copyright Office. Rather, the MPAA simply seeks to squelch any possibility that a legitimate competitor of

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ANGELA D. CAESAR, Clerk
By Therese Stein
Deputy Clerk

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the MPAA will participate in public proceedings occurring under the oversight of the U.S. Copyright Office.

The MPAA is a trade organization, organized for the sole purpose of advancing the competitive position of the seven largest entertainment conglomerates in the world - - Sony, Universal, Warner Bros., 20th Century Fox, Paramount, Disney, and Metro-Goldwyn-Mayer. Worldwide Subsidy Group, by contrast, represents the interests of over 200 independent producers, including such notable producers as DreamWorks SKG, the BBC, and many more. Since its inception twenty years ago, the MPAA has participated in and monopolized the cable/satellite retransmission royalty proceedings. In the category of entertainment programming, i.e., the "Program Suppliers" category which received in excess of \$100 Million annually, no significant entity has ever competed with the MPAA, nor is this author aware of any entity actually challenging the MPAA in proceedings before the Copyright Office - - until Worldwide Subsidy Group did so in 2000.

Prior to entering his plea in this case, Raul Galaz was a principal of Worldwide Subsidy Group. As part of his duties, Raul Galaz participated in public proceedings before the U.S. Copyright Office pursuant to which the most sound method for distribution of the 1998 Program Suppliers funds, i.e., approximately \$100 Million, was arbitrated. Rather than accept the figure that Worldwide Subsidy Group argued it was entitled under its methodology, the MPAA expended three times such amount (between \$2.5 and \$3.0 Million) to litigate the dispute. The ruling of the three arbitrators, which was confirmed by the Librarian of Congress, was that the

long-utilized methodology employed by the MPAA was “wholly unreliable”.

The MPAA, obviously, wishes to avoid any further challenge to their methodology for distribution years 1999 and forward. Any challenge, irrespective of how legitimate, can have significant consequences to their competitive position. This is the sole reason that the MPAA has filed an *amicus* brief seeking to limit the ability of Raul Galaz to participate, in *any* capacity, in the retransmission royalty proceedings. It is not for the purpose of protecting the public. It is not for the purpose of protecting the integrity of the retransmission royalty proceedings. It is solely to protect the competitive position of the MPAA. Such is not a legitimate basis for denying Raul Galaz the ability to participate in a profession where he is acknowledged as an expert.

B. Raul Galaz’s Activities Will Be Scrutinized, Are Being Scrutinized; and Effectively Supplant the Need of the Probation Office to Monitor Such Retransmission Royalty Activities.

In an effort to demonstrate the difficulty by which the Probation Officer assigned to Raul Galaz will monitor Galaz’s activities, the MPAA reveals exactly why any such monitoring will be unnecessary.

Initially, the MPAA substantiates the point made in Galaz’s initial Reply Brief, that Galaz has not requested and does not intend to file any *new claims* with the Copyright Office,¹ and instead requests to participate in matters relating to the “analysis of claims that have already been on file with the U.S. Copyright Office *for several years*, and to advocate the rights associated

¹ Ironically, in the context of characterizing Galaz’s offer to forego making new claims as “hollow”, the MPAA reveals exactly why no significant threat exists for such activity - - because the next (and only) “new claims” filing occurring during Raul Galaz’s supervised release will occur in July 2006.

therewith.” Contrary to the suggestion of the MPAA, Galaz was not accused of, did not plead guilty of, and was not convicted of, any false claims associated with the arbitral proceedings held before the Copyright Office and relating to 1998 Program Supplier monies. As demonstrated by the MPAA’s own *amicus* brief, the acts associated with the filing of new claims (i.e., the filing of claims in July of each year), and the acts associated with advocating the appropriate methodology for distribution of royalties under existing claims (i.e., computer analysis and appearance in arbitral proceedings overseen by the Copyright Office), are as similar as apples and oranges.

The former involves client solicitation and the filing of claims in July of each year. The latter involves proceedings whereby discovery is exchanged between adversaries, legal briefs are filed, testimony is taken, and weeks-long oral proceedings occur, then re-occur as part of rebuttal proceedings. The MPAA’s tortured characterization of the latter acts as the “filing of claims” under “copyright royalty parlance”, is simply inaccurate and, in any event, was not the intended restriction upon Raul Galaz’s activity that appears in the Judgment issued by the Court.

In fact, the only means by which the MPAA can logically take issue with Raul Galaz’s request to participate in the retransmission royalty industry is to fabricate a situation in which Raul Galaz actually engages in another criminal act. [“Defendant’s preferred approach would allow him to formulate and assert a royalty share (claim) for WSG prior to actually having obtained authorization from the claimant(s) for the program(s).” MPAA *amicus* brief, at 5.] Any such malfeasance, however, would necessarily be revealed in the course of the arbitral proceedings discovery, thereby exposing whatever improprieties had occurred. Nevertheless, no

allegation has ever been made that Raul Galaz ever engaged in the act described by the MPAA.

More significantly, the attention that the MPAA has paid to Raul Galaz's request all but demonstrates that Raul Galaz's activities will be scrutinized by any and all business competitors. To the extent that there is even a remote suspicion that Raul Galaz has engaged in an improper act associated with the public proceedings that exist before the U.S. Copyright Office - - proceedings pursuant to which the authorization to represent any claim must be publicly demonstrated - - the MPAA and other business competitors will have the capability to investigate and challenge such claims, and will have no hesitation to do so. Business competitors have a strong financial motivation for scrutinizing Galaz's activities, and any alleged improprieties will, no doubt, be brought to the immediate attention of the Copyright Office and other authorities. Concerns associated with the effective monitoring of Raul Galaz's retransmission royalty activities by the Probation Office are nullified because of the policing that will occur, and is already occurring, by business competitors of Worldwide Subsidy Group.

Although it did not seem necessary to make mention of the following information in the initial Reply Brief, evidence of the immediate scrutinization of Raul Galaz's activities already exists. According to the Government's request for a 30-day extension to respond to this Motion, the Government purported to not have received its copy of the moving brief until long after it had been served by mail. Notwithstanding, within three days of the Government's receipt of the moving brief, Raul Galaz was contacted by a third party and informed that such moving brief had already been distributed to such third party by an attorney in Washington, D.C., an attorney who

represents interests adversarial to Worldwide Subsidy Group. Absent the unlikely possibility that the Washington, D.C. attorney monitors filings in this case or was forwarded the motion directly by the Government, it was provided to the attorney either by the U.S. Copyright Office or the MPAA (most likely, the latter). Logic suggests that the Government provided the brief to the MPAA, then the MPAA provided the brief to other parties adversarial to WSG (including the Washington, D.C. attorney), and at least one of those parties provided the brief to the third party referenced above, *all in the course of a few days*.

On the whole, this appears to more than a modicum of scrutinization of Raul Galaz's activities. It reflects exactly what will occur in each and every instance in which Worldwide Subsidy Group partakes in any activity pursuant to which Raul Galaz could potentially be involved. Raul Galaz's activities will be policed by business competitors, thereby alleviating any concerns that the Probation Office is not adequately monitoring Raul Galaz's activities over the next one year, five months, that remain on Raul Galaz's term of supervised release.

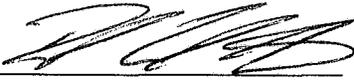
II. CONCLUSION

The attention that has been focused on one individual's request to simply participate in a particular industry necessarily gives rise to consider the motives of the challenging parties. The MPAA is a business competitor of Worldwide Subsidy Group, the entity Raul Galaz desires to work for on a part-time basis. Its motive for seeking to preclude Raul Galaz's participation in the retransmission royalty proceedings is suspect, and appears driven exclusively by an attempt to squelch competition, not a realistic concern that Raul Galaz will engage in any impropriety.

Further, Raul Galaz's activities will be, and already are, scrutinized by business competitors. Such scrutinization (in the retransmission royalty area) effectively supplants the need for any monitoring by the Probation Office because any alleged improprieties will be immediately recognized and reported.

Respectfully submitted,

Raul C. Galaz
132 Perry Court
San Antonio, Texas 78209
Telephone: (210) 789-9084

By: 
RAUL C. GALAZ
Pro Se

CERTIFICATE OF SERVICE

I hereby certify that on the 19th day of December, 2005 a true and correct copy of *Defendant's Additional Reply Brief In Support of Motion for Clarification on Ruling or, Alternatively, Modification of Judgment - - Responding Directly to Amicus Brief of the Motion Picture Association of America* was served upon the following persons:

VIA U.S. MAIL to the following:

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Raul C. Galaz

RAUL CARL GALAZ
132 Perry Ct.
San Antonio, TX 78209
(210) 789-9084

December 19, 2005

Clerk of Court
U.S. District Court, District of Columbia
333 Constitution Ave., N.W.
Washington, D.C. 20001

Re: Criminal Docket No. 02-0230-01 (HHK)

Dear Sir/Madam:

Enclosed please find an original and a copy of *Defendant's Additional Reply Brief In Support of Motion for Clarification on Ruling or, Alternatively, Modification of Judgment - - Responding Directly to Amicus Brief of the Motion Picture Association of America*. Please file the original, file-stamp and return the copy to my attention in the self-addressed, stamped envelope.

Thank you for your attention to this matter.

Sincerely,



Raul Carl Galaz

cc: William Bowne III
Brian D. Shaffer
Mark Hewett
Dennis Lane

RAUL GALAZ

132 Perry Ct.

San Antonio, TX 78209



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NANCY MAYER WHITTING
U.S. DISTRICT CO

Before the
COPYRIGHT ROYALTY JUDGES
Washington, D.C.

In the Matter of)	
Distribution of 1998 and 1999)	
Cable Royalty Funds)	
)	Docket No. 2008-1 CRB CD 98-99 (Phase II)

**INDEPENDENT PRODUCERS GROUP REVISED RESPONSES TO
DOCUMENT REQUESTS OF SETTLING DEVOTIONAL CLAIMANTS
PURSUANT TO ORDER OF JANUARY 31, 2014**

On behalf of Independent Producers Group (“IPG”), the following are the responses to the discovery requests propounded by the Settling Devotional Claimants (“SDC”), pursuant to the Judges’ order of January 31, 2014.

General Objections

IPG will respond to the requests to the best of its ability; however, with respect to each of the requests, IPG states the following General Objections:

- 1) IPG objects to these requests to the extent that they are vague, ambiguous, or otherwise not susceptible to a response, and to the extent that they are overly broad, unduly burdensome, and seek the disclosure of documents and information not reasonably calculated to lead to the discovery of evidence admissible in this proceeding.
- 2) IPG objects to these requests to the extent they call for the disclosure of information that is confidential to IPG and/or third parties. Any information identified as “confidential” shall be subject to a General Protective Order proposed to the Copyright Royalty Judges for this proceeding.
- 3) IPG objects to these requests to the extent that they seek disclosure of documents and information that is not subject to discovery pursuant to the regulations applicable to the Copyright Royalty Board, set forth at 37 C.F.R. Section 301.1, et

seq.

- 4) IPG objects to these requests to the extent that the definitions and instructions purport to impose obligations beyond those imposed by the regulations of the Copyright Royalty Board.
- 5) IPG objects to these requests to the extent that they seek the disclosure of information and documents protected from disclosure by the attorney-client privilege and/or the attorney work product doctrine.
- 6) IPG objects to these requests to the extent that they seek the disclosure of information and documents not within IPG's possession, custody, or control.
- 7) IPG objects to these requests to the extent that they seek the disclosure of information unrelated to these Phase II proceedings, or to the Phase II category in which the propounding party is involved.
- 8) IPG objects to these requests to the extent that they seek information in a form or format not regularly kept in the normal course of business.
- 9) IPG objects to these requests to the extent that they request the preparation of documents that do not exist.
- 10) IPG objects to these requests to the extent that they request the production of documents already included and produced as part of the Direct Case of IPG.
- 11) IPG objects to the instructions to the extent that they call for either responses or the production of documents in a format beyond what is required by the Copyright Royalty Board regulations, or in a format with which the responding party did not cooperate with IPG, e.g., repeating each of the requests.

RESPONSES TO DOCUMENT REQUESTS

TESTIMONY OF RAUL C. GALAZ

1. Provide all documents, data, and source material that underlie, support, relate to or form the basis of any and all facts, conclusions, and/or opinions contained in the Testimony.

Response to Request 1:

Objection, the document request is overly broad, and seeks documents beyond the scope of 37 C.F.R. Section 351.6. Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity.

Additional Response per Judges' order:

Raul Galaz expressly considered documents produced as category nos. 1-7, 21-24, and 27-29, documents produced by the SDC in this proceeding, and his review of the aggregate of published rulings of the Copyright Royalty Tribunal, Copyright Arbitration Royalty Panels, Copyright Royalty Board, Register of Copyrights, and Librarian of Congress. Raul Galaz additionally relied on his industry knowledge and experience, and legal opinion regarding U.S. copyright law and the Fifth Amendment to the U.S. Constitution.¹

2. Provide all documents and material related to Mr. Galaz's qualifications in the fields of statistics and economics, including any degrees, certifications, and peer-reviewed publications in those fields.

Response to Request 2:

Objection, the document request is overly broad, and seeks documents beyond the scope of 37 C.F.R. Section 351.6. Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity.

3. Provide all documents and material related to Mr. Galaz's qualifications in the area of market valuations.

Response to Request 3:

Objection, the document request is overly broad, and seeks documents beyond the scope of 37 C.F.R. Section 351.6. Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity.

4. Provide all documents relating to the credibility of Mr. Galaz, or veracity of his testimony, in any court or bankruptcy proceeding.

Response to Request 4:

Objection, the document request is not calculated to lead to the discovery of admissible evidence. Objection, the document request is overly broad, and seeks documents beyond the scope of 37 C.F.R. Section 351.6. Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity.

¹ In light of IPG's submission of an Amended Direct Statement on January 31, 2014, all additional responses ordered by the Judges shall additionally respond as to such amended document.

5. Provide all documents relating to Mr. Galaz's status as an employee and authorized representative of IPG. (Galaz Testimony at 5.)

Response to Request 5:

Objection, the document request is not calculated to lead to the discovery of admissible evidence. Objection, the document request is overly broad, and seeks documents beyond the scope of 37 C.F.R. Section 351.6. Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity.

Additional Response per Judges' order:

See documents produced as category no. 8.

6. Provide all documents relating to Mr. Galaz's right to practice law. (Galaz Testimony at 5.)

Response to Request 6:

Objection, the document request is not calculated to lead to the discovery of admissible evidence. Objection, the document request is overly broad, and seeks documents beyond the scope of 37 C.F.R. Section 351.6. Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity.

7. Provide all documents, correspondence and material related to the organizational and legal history of each IPG Entity as defined herein, including all documents related to each IPG Entity's formation, bylaws, mission statements, acknowledgements of good standing, dissolution documents, any amendments to any such documents, and any judicial and administrative pleadings, orders, or documents relating to any of the foregoing. (Galaz Testimony at 5, n.1.)

Response to Request 7:

Objection, the document request is overly broad, and seeks documents beyond the scope of 37 C.F.R. Section 351.6. Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity. Subject to the terms of a Protective Order prohibiting the dissemination of documents and information to parties other than IPG, SDC, and the Judges, IPG does not object to this request. Subject to the foregoing, IPG submits document category #1 and #2.

8. Provide all documents relating to IPG's right to file a Petition to Participate in this proceeding. (Galaz Testimony at 6.)

Response to Request 8:

Objection, the document request is overly broad, and seeks documents beyond the scope of 37 C.F.R. Section 351.6. Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity. Subject to the terms of a Protective Order prohibiting the dissemination of documents and information to parties other than IPG, SDC, and the Judges, IPG does not object to this request. Subject to the foregoing, IPG submits document category #3.

9. Provide all documents relating to IPG's right to represent 198 producers and distributors or programming in this proceeding. (Galaz Testimony at 6.)

Response to Request 9:

Objection, the document request is overly broad, and seeks documents beyond the scope of 37 C.F.R. Section 351.6. Objection, the document request is not calculated to lead to the discovery of admissible evidence. Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity. Subject to the terms of a Protective Order prohibiting the dissemination of documents and information to parties other than IPG, SDC, and the Judges, IPG does not object to this request. Subject to the foregoing, IPG submits document category #4.

10. To the extent not provided in connection with Request 8 and 9, provide all documents relating to IPG's right to represent 6 devotional producers and distributors or programming in this proceeding. (Galaz Testimony at 6.)

Response to Request 10:

Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity. Subject to the terms of a Protective Order prohibiting the dissemination of documents and information to parties other than IPG, SDC, and the Judges, IPG does not object to this request. Subject to the foregoing, IPG submits document category #4.

11. To the extent not provided in connection with Request 8 and 9, provide all documents relating to IPG's right to represent Tracee Productions in connection with the filing of the Claim by Worldwide Subsidy Group. (WSG 1999 Joint Claim, No. 434.)

Response to Request 11:

Objection, the document request is overly broad, and seeks documents beyond the scope of 37 C.F.R. Section 351.6. Objection, the document request is not calculated to lead to the discovery of admissible evidence. Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity.

Additional Response per Judges' order:

No responsive documents exist.

12. To the extent not provided in connection with Requests 8 and 9, provide all documents relating to IPG's right to represent Adventist Media Center Productions in connection with the filing of Claim by IPG. (IPG 1999 Claim, No. 433.)

Response to Request 12:

Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity. Subject to the terms of a Protective Order prohibiting the dissemination of documents and information to parties other than IPG, SDC, and the Judges, IPG does not object to this request. Subject to the foregoing, IPG submits document category #4.

13. Provide a copy of the finder's fee agreement between IPG and Anthony & Middlebrook (or its predecessor firm) (the "Finder's Fee Agreement") regarding payments for introducing Eagle Mountain International Church, Inc., World Healing Center Church, Inc., ("WHCC", aka Benny Hinn Ministries), and/or Creflo Dollar (aka Creflo Dollar Ministries) to IPG.

Response to Request 13:

Objection, the document request is overly broad, and seeks documents beyond the scope of 37 C.F.R. Section 351.6. Objection, the document request is not calculated to lead to the discovery of admissible evidence.

Additional Response per Judges' order:

See documents produced as category no. 9.

14. Provide a copy of all documents related to WHCC's approval of the Finder's Fee Agreement as stated in the undated letter of Miles Archer Woodlief, Director to the Copyright Royalty Board, referencing the 1999 Cable Royalty Proceeding.

Response to Request 14:

Objection, the document request is overly broad, and seeks documents beyond the scope of 37 C.F.R. Section 351.6. Objection, the document request is not calculated to lead to the discovery of admissible evidence.

Additional Response per Judges' order:

No responsive documents have been located. In the event that responsive documents are subsequently located, WHCC asserts that they would be subject to attorney-client privilege and not subject to production.

15. To the extent not provided in connection with Requests 8 and 9, provide all documents showing any asset transfers or assignments between IPG Entities and IPG with respect to any Claim.

Response to Request 15:

Objection, the document request is overly broad, and seeks documents beyond the scope of 37 C.F.R. Section 351.6. Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity. Subject to the terms of a Protective Order prohibiting the dissemination of documents and information to parties other than IPG, SDC, and the Judges, IPG does not object to this request. Subject to the foregoing, IPG submits document category #2.

16. To the extent not provided in connection with Requests 8 and 9, provide all documents relating to written agreements between IPG and all entities included in the WSG 1999 Joint Claim No. 434, including all assignment agreements, mandate agreements and representation agreements.

Response to Request 16:

Objection, the document request is overly broad, and seeks documents beyond the scope of 37 C.F.R. Section 351.6. Objection, the document request is not calculated to lead to the discovery of admissible evidence. Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity. Subject to the terms of a Protective Order prohibiting the dissemination of documents and information to parties other than IPG, SDC, and the Judges, IPG does not object to this request. Subject to the foregoing, IPG submits document category #4.

17. To the extent not provided in connection with Requests 8 and 9, provide all documents relating to written agreements between IPG and all entities included in

the IPG 1999 Joint Claim No. 433, including all assignment agreements, mandate agreements and representation agreements.

Response to Request 17:

Objection, the document request is overly broad, and seeks documents beyond the scope of 37 C.F.R. Section 351.6. Objection, the document request is not calculated to lead to the discovery of admissible evidence. Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity. Subject to the terms of a Protective Order prohibiting the dissemination of documents and information to parties other than IPG, SDC, and the Judges, IPG does not object to this request. Subject to the foregoing, IPG submits document category #4.

18. Provide copies of all Claims filed by or on behalf of IPG or Claimants.

Response to Request 18:

Except as set forth in the General Objections stated above, IPG does not object to this request. Subject to the foregoing, IPG submits document category #3.

19. Provide all correspondence between IPG and any Claimant regarding any Claim in this Proceeding.

Response to Request 19:

Objection, the document request is overly broad, and seeks documents beyond the scope of 37 C.F.R. Section 351.6. Objection, the document request is not calculated to lead to the discovery of admissible evidence. Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity.

Additional Response per Judges' order:

See documents produced as category nos. 4-6, 10.

20. In connection with this proceeding, provide all documents regarding Marian Oshita's authority to execute agreements and to make filings on behalf of IPG and/or any Claimant.

Response to Request 20:

Objection, the document request is overly broad, and seeks documents beyond the scope of 37 C.F.R. Section 351.6. Objection, the document request is not calculated to lead to the discovery of admissible evidence. Objection, the

document request is vague and ambiguous, and seeks documents without sufficient specificity.

Additional Response per Judges' order:

See documents produced as category no. 11.

21. Provide all documents related to IPG's determination that the Claimants listed in Exhibit IPG-1 are devotional claimants. (Galaz Testimony at 6, n. 2, and Exhibit IPG-1).

Response to Request 21:

Objection, the document request is overly broad, and seeks documents beyond the scope of 37 C.F.R. Section 351.6. Objection, the document request is not calculated to lead to the discovery of admissible evidence. Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity.

Additional Response per Judges' order:

See documents produced as category no. 12.

22. Provide all documents related to IPG's determination that the programs listed in Exhibit IPG-2 are devotional programs. (Galaz Testimony at 11, n. 3, and Exhibit IPG-2).

Response to Request 22:

Objection, the document request is overly broad, and seeks documents beyond the scope of 37 C.F.R. Section 351.6. Objection, the document request is not calculated to lead to the discovery of admissible evidence. Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity.

Additional Response per Judges' order:

See documents produced as category no. 12, 24, 27-29, and SDC Direct Statement (Exh. 1 to Whitt testimony, and Appendix B to Sanders testimony).

23. Provide all documents, correspondence, and source materials that were identified, examined, or relied upon by IPG to ascertain program titles for inclusion in Exhibit IPG-2.

Response to Request 23:

Objection, the document request is overly broad, and seeks documents beyond the scope of 37 C.F.R. Section 351.6. Objection, the document request is not calculated to lead to the discovery of admissible evidence. Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity.

24. Provide all documents, including all correspondence, relating to the Adventist Media Center Productions, including notice from It Is Written regarding IPG's lack of authority to file a Claim and represent the program "It Is Written" in this proceeding. (Exhibits IPG-1 and IPG-2.)

Response to Request 24:

Objection, the document request is overly broad, and seeks documents beyond the scope of 37 C.F.R. Section 351.6. Objection, the document request is not calculated to lead to the discovery of admissible evidence. Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity.

25. Provide all documents relating the devotional category content of Feed the Children, Inc. (Exhibit IPG-2.)

Response to Request 25:

Objection, the document request is overly broad, and seeks documents beyond the scope of 37 C.F.R. Section 351.6. Objection, the document request is not calculated to lead to the discovery of admissible evidence. Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity.

Additional Response per Judges' order:

See documents produced as category no. 12, 24, 27-29, and SDC Direct Statement (Exh. 1 to Whitt testimony, and Appendix B to Sanders testimony).

26. Provide documents constituting representative samples of Feed the Children, Inc. programming telecast in 1999. (Exhibit IPG-2.)

Response to Request 26:

Objection, the document request is overly broad, and seeks documents beyond the scope of 37 C.F.R. Section 351.6. Objection, the document request is not calculated to lead to the discovery of admissible evidence. Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity.

Additional Response per Judges' order:

No representative samples of Feed the Children, Inc. programming telecast in 1999 has been located within the possession, care, custody or control of either IPG or Feed the Children, Inc.

27. Provide all documents relating to the claim of Feed the Children, Inc. in connection with the 2000-2003 cable royalty distribution proceeding, including the Phase I category for which the claim for Feed the Children, Inc. was made.

Response to Request 27:

Objection, the document request is overly broad, and seeks documents beyond the scope of 37 C.F.R. Section 351.6. Objection, the document request is not calculated to lead to the discovery of admissible evidence. Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity.

Additional Response per Judges' order:

See documents produced as category nos. 4 (bate no. IPG 0031), 13, 14, and 30.

28. Provide all documents showing the legal names of the entities that produced and distributed each program identified in Exhibit IPG-2.

Response to Request 28:

Objection, the document request is overly broad, and seeks documents beyond the scope of 37 C.F.R. Section 351.6. Objection, the document request is not calculated to lead to the discovery of admissible evidence. Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity.

Additional Response per Judges' order:

See documents produced as category no. 15.

29. Provide all documents showing which programs identified in Exhibit IPG-2 are distinct programs, as opposed to mere variations in program titles. (Exhibit IPG-2.)

Response to Request 29:

Objection, the document request is overly broad, and seeks documents beyond the scope of 37 C.F.R. Section 351.6. Objection, the document request is vague and

ambiguous, and seeks documents without sufficient specificity. Subject to the foregoing, IPG submits document category ## 5 and 6.

30. Provide all documents that underlie, relate to or support IPG's "[c]riteria for Phase II Award." (Galaz Testimony at 6-8.)

Response to Request 30:

Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity. Moreover, the cited excerpt contains several statements of opinion and observation based on the statutes, regulations, and rulings relating to the distribution of cable retransmission royalties.

Additional Response per Judges' order:

Raul Galaz expressly considered documents produced as category nos. 1-7, 21-24, and 27-29, documents produced by the SDC in this proceeding, and his review of the aggregate of published rulings of the Copyright Royalty Tribunal, Copyright Arbitration Royalty Panels, Copyright Royalty Board, Register of Copyrights, and Librarian of Congress. Raul Galaz additionally relied on his industry knowledge and experience, and legal opinion regarding U.S. copyright law and the Fifth Amendment to the U.S. Constitution.

31. Provide all documents relating to the stations on which programs represented by IPG appeared in 1999. (Galaz Testimony at 7.)

Response to Request 31:

Objection, the document request is overly broad, and seeks documents beyond the scope of 37 C.F.R. Section 351.6. Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity. Subject to the terms of a Protective Order prohibiting the dissemination of documents and information to parties other than IPG, SDC, and the Judges, IPG does not object to this request. Subject to the foregoing, IPG submits document category #24.

32. With respect to each station identified in No. 31, provide all documents relating to the number of subscribers receiving the retransmitted signals in 1999. (Galaz Testimony at 7.)

Response to Request 32:

Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity. Subject to the terms of a Protective Order prohibiting the dissemination of documents and information to parties other than

IPG, SDC, and the Judges, IPG does not object to this request. Subject to the foregoing, IPG submits document category #21.

33. With respect to each station identified in No. 31, provide all documents relating to the fees collected from station retransmissions of such stations in 1999. (Galaz Testimony at 7.)

Response to Request 33:

Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity. Subject to the terms of a Protective Order prohibiting the dissemination of documents and information to parties other than IPG, SDC, and the Judges, IPG does not object to this request. Subject to the foregoing, IPG submits document category #21.

34. Provide all documents relating to the length of programs represented by IPG in 1999. (Galaz Testimony at 7.)

Response to Request 34:

Objection, the document request is overly broad, and seeks documents beyond the scope of 37 C.F.R. Section 351.6. Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity. Subject to the terms of a Protective Order prohibiting the dissemination of documents and information to parties other than IPG, SDC, and the Judges, IPG does not object to this request. Subject to the foregoing, IPG submits document category #24.

35. Provide all documents underlying the statement: "Factors such as the unknown, after-the-fact determined viewership of the program, or after-the-fact ratings (there is a distinction), would be of no relevance, since compulsory license fee paid by the CSO is paid in advance of, and regardless of, any such determinations of viewership or ratings." (Galaz Testimony at 7-8.)

Response to Request 35:

Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity. Moreover, the cited excerpt contains several statements of opinion based on the statutes, regulations, and rulings relating to the distribution of cable retransmission royalties.

36. Provide all documents relating to the “factor” described as “anticipated viewership of the program, as reflected by the time period during which a program was broadcast (e.g., 8:00pm versus 2:00am).” (Galaz Testimony at 8.)

Response to Request 36:

Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity. Moreover, the cited excerpt contains several statements of opinion and observation based on the statutes, regulations, and rulings relating to the distribution of cable retransmission royalties. Subject to the foregoing, IPG submits document category #22.

37. Provide all documents underlying the statement: “IPG proposes a distribution methodology that relies on data that reflects the compulsory license fees that have been generated by retransmitted stations, the number of distant households that received the retransmitted broadcasts, programming data reflecting the length of the broadcast, and data that reflects the viewership within particular time periods calculated.” (Galaz Testimony at 8.)

Response to Request 37:

Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity. Moreover, the cited excerpt contains several statements of opinion based on the statutes, regulations, and rulings relating to the distribution of cable retransmission royalties. Subject to the foregoing, IPG submits document category ##21, 22, 24.

38. Provide copies of all methodological alternatives construed with such data. (Galaz Testimony at 8.)

Response to Request 38:

Objection, the document request is overly broad, and seeks documents beyond the scope of 37 C.F.R. Section 351.6. Objection, the document request is not calculated to lead to the discovery of admissible evidence. Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity. Moreover, the cited excerpt contains a statement of opinion based on the data that is potentially available relating to the distribution of cable retransmission royalties. Subject to the foregoing, IPG submits document category ##21, 22, 24.

39. Provide all documents underlying Mr. Galaz's statement: "Such entitlement exists based on criteria developed by the Copyright Royalty Tribunal, the Copyright Arbitration Royalty Panel, and the Copyright Office." (Galaz Testimony at 8-9.)

Response to Request 39:

Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity. Moreover, the cited excerpt contains a statement of opinion based on the statutes, regulations, and rulings relating to the distribution of cable retransmission royalties.

40. Provide all documents underlying the statement that "the value or appeal of any particular terrestrial station to a CSO cannot be based on ratings that will occur only after the CSO has elected to carry a terrestrial station." (Galaz Testimony at 9-10.)

Response to Request 40:

Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity. Moreover, the cited excerpt contains a statement of opinion and observation based on logic, and the statutes, regulations, and rulings relating to the distribution of cable retransmission royalties.

41. Provide all documents underlying the statement that "the overall appeal of the terrestrial station to reach niches with a CSO's subscriber base could be the determinative factor that affects whether the CSO will carry particular terrestrial station." (Galaz Testimony at 10.)

Response to Request 41:

Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity. Moreover, the cited excerpt contains a statement of opinion and observation based on logic, and the statutes, regulations, and rulings relating to the distribution of cable retransmission royalties.

42. Provide all documents underlying the statement: "TPG has attempted to construct a distribution methodology that is content-blind, and merely considers objective criteria that exists or can be determined *before* the retransmission occurs." (Galaz Testimony at 10.)

Response to Request 42:

Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity. Moreover, the cited excerpt contains a statement of opinion and observation.

43. Provide all documents underlying the statement: "IPG has identified 12,016 broadcasts of 26 IPG-claimed programs (the 'Programs') that have generated cable retransmission royalties during the 1999 calendar year." (Galaz Testimony at 11.)

Response to Request 43:

IPG submits document category #24.

44. Provide all documents relating to communications between David Joe and IPG, including but not limited to Raul Galaz, Marian Oshita, Brian Boydston and/or Lisa Galaz, regarding all Claimants in the devotional category purportedly represented by IPG in this Proceeding.

Response to Request 44:

Objection, the document request is not calculated to lead to the discovery of admissible evidence. Objection, the document request is overly broad, and seeks documents beyond the scope of 37 C.F.R. Section 351.6. Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity.

Additional Response per Judges' order:

No responsive documents exist.

TESTIMONY OF LAURA A. ROBINSON, PH.D.

1. Provide all documents, data, and source material that underlie, support, or form the basis of any and all facts, conclusions, and/or opinions contained in the Testimony.

Response to Request 1:

Objection, the document request is overly broad, and seeks documents beyond the scope of 37 C.F.R. Section 351.6. Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity.

Additional Response per Judges' order:

Dr. Laura Robinson expressly considered documents produced as category nos. 21-27, the SDC Direct Statement submitted in this proceeding, and her review of the aggregate of published rulings of the Copyright Royalty Tribunal, Copyright Arbitration Royalty Panels, Copyright Royalty Board, Register of Copyrights, and

Librarian of Congress. Dr. Laura Robinson additionally relied on her expert knowledge and experience.

2. Provide all documents, data, and material relating to any studies, analyses, and statistical studies contained in the Testimony.

Response to Request 2:

Objection, the document request is overly broad, and seeks documents beyond the scope of 37 C.F.R. Section 351.6. Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity.

3. Provide all documents and material related to Ms. Robinson's qualifications in the fields of statistics and economics, including any degrees, certifications, and peer-reviewed publications in those fields.

Response to Request 3:

Objection, the document request is overly broad, and seeks documents beyond the scope of 37 C.F.R. Section 351.6. Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity. Subject to the foregoing, IPG has already submitted Exhibit IPG-3 to IPG's Direct Statement.

4. Provide all documents and material related to Ms. Robinson's qualifications in the area of market valuations.

Response to Request 4:

Objection, the document request is overly broad, and seeks documents beyond the scope of 37 C.F.R. Section 351.6. Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity. Subject to the foregoing, IPG has already submitted Exhibit IPG-3 to IPG's Direct Statement.

5. Provide all documents and material related to Ms. Robinson's qualifications concerning determination of the relative value of programs within the Copyright Act's cable for compulsory licensing system.

Response to Request 5:

Objection, the document request is overly broad, and seeks documents beyond the scope of 37 C.F.R. Section 351.6. Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity. Subject to the foregoing, IPG has already submitted Exhibit IPG-3 to IPG's Direct Statement.

6. Provide all written communications between Ms. Robinson and IPG and/or Ms. Robinson and the IPG-represented claimants in this Proceeding.

Response to Request 6:

Objection, the document request is not calculated to lead to the discovery of admissible evidence. Objection, the document request is overly broad, and seeks documents beyond the scope of 37 C.F.R. Section 351.6. Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity.

7. Provide all documents underlying the statement: "I have not yet been provided with the identity of the retransmitted broadcasts claimed by the Non-IPG Claimants." (Robinson Testimony at 13.)

Response to Request 7:

Objection, the request is vague and ambiguous, as it requests documents underlying a statement as to events that did not occur.

8. Provide all documents underlying the statement: "I have reviewed and analyzed voluminous data and information during the preparation of this report, including (i) data from the Cable Data Corporation regarding more than twenty-seven hundred cable systems operators, and (ii) broadcast data from TV Data (cka Tribune Media) of more than twelve thousand retransmitted broadcasts during 1999 of IPG-claimed programming." (Robinson Testimony at 13-14.)

Response to Request 8:

IPG submits document category ##21 and 24.

9. Provide all documents underlying the statements set forth in Paragraph 8 (Summary of Opinions) of the Testimony. (Robinson Testimony at 14.)

Response to Request 9:

Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity. Moreover, the cited excerpt contains several statements of opinion and observation based on the statutes, regulations, and rulings relating to the distribution of cable retransmission royalties.

Additional Response per Judges' order:

Dr. Laura Robinson expressly considered the aggregate of published rulings of the Copyright Royalty Tribunal, Copyright Arbitration Royalty Panels, Copyright Royalty Board, Register of Copyrights, and Librarian of Congress. Dr. Laura Robinson additionally relied on her expert knowledge and experience.

10. Provide all documents underlying the statements set forth in Paragraph 9 (Summary of Opinions) of the Testimony, including copies of all documents referenced in footnote 6. (Robinson Testimony at 15.)

Response to Request 10:

Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity. Moreover, the cited excerpt contains several statements of opinion and observation based on the statutes, regulations, and rulings relating to the distribution of cable retransmission royalties. As relates to the documents cited in footnote 6, IPG objects on the grounds that both documents are sources generally available to the public, equally available to the SDC.

11. Provide all documents underlying the statement that “various indicia of the economic value of the retransmitted broadcasts exist in obtainable data, including the length of the retransmitted broadcasts, the time of day of the retransmitted broadcast, the fees paid by the cable system operators to retransmit the stations carrying the broadcasts, and the number of persons distantly subscribing the station broadcasting the IPG-claimed program.” (Robinson Testimony at 16.)

Response to Request 11:

IPG submits document category ##21 and 24.

12. Provide all documents that underlie the conclusions set forth in Paragraph 11 of Ms. Robinson’s testimony, including the claim to over 12,000 retransmitted broadcasts during 1999, comprising over 6,000 broadcast hours. (Robinson Testimony at 16.)

Response to Request 12:

Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity. Moreover, the cited excerpt contains several statements of opinion and observation based on the statutes, regulations, and rulings relating to the distribution of cable retransmission royalties. IPG submits document category ##21 and 24.

13. Provide all documents that underlie the statement that “various indicia of the economic value of the retransmitted broadcasts indicate that IPG’s retransmitted broadcast have values for same across the full range of observed values.” (Robinson Testimony at 16.)

Response to Request 13:

IPG submits document category ##21 and 24.

14. Provide all documents that underlie the statement: “In the instant matter, the indicia to be compared in order to estimate the relative market value of IPG-claimed titles and non-IPG claimed titles include the length of the claimed broadcasts, the time of day of the broadcasts, the fees paid by cable system operators to retransmit the stations carrying the broadcasts, and the number of distant subscribers of the stations carrying those broadcasts.” (Robinson Testimony at 17.)

Response to Request 14:

Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity. Moreover, the cited excerpt contains several statements of opinion and observation based on the statutes, regulations, and rulings relating to the distribution of cable retransmission royalties.

15. Provide all documents that Pick & Boydston or IPG provided Dr. Robinson in preparation of the Testimony.

Response to Request 15:

Objection, the document request is overly broad, and seeks documents beyond the scope of 37 C.F.R. Section 351.6. Objection, the document request is not calculated to lead to the discovery of admissible evidence. Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity. Additionally, and although already set forth in the General Objections, the document request seeks documents privileged according to Attorney-Client Privilege or Attorney Work Product doctrines.

16. Provide copies of all testimony Dr. Robinson has provided in connection with compulsory copyright licensing royalty matters, including but not limited to the 2000-2003 cable royalty distribution proceeding. (Robinson Testimony at 18.)

Response to Request 16:

Objection, the document request is overly broad, and seeks documents beyond the scope of 37 C.F.R. Section 351.6. Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity. Moreover, no reference to the subject matter of the document request appears within the Testimony of Laura Robinson, where cited or otherwise.

Additional Response per Judges' order:

See documents produced as category nos. 31-32.

17. Provide copies of all statistical and econometric analysis Dr. Robinson has made in connection with compulsory copyright licensing royalty matters. (Robinson Testimony at 18.)

Response to Request 17:

Objection, the document request is overly broad, and seeks documents beyond the scope of 37 C.F.R. Section 351.6. Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity. Moreover, no reference to the subject matter of the document request appears within the Testimony of Laura Robinson, where cited or otherwise.

Additional Response per Judges' order:

See documents produced as category nos. 31-32.

18. Provide all documents from Nielsen Media Research that Dr. Robinson relied upon for her analysis. (Robinson Testimony at 19.)

Response to Request 18:

IPG submits document category ##22 and 23.

19. Provide all documents and calculations, including formulas utilized, underlying the statement: "From the foregoing data, I am able to demonstrate the distribution of the IPG-claimed retransmitted broadcasts according to the distant retransmission fees paid by CSOs for the right to retransmit stations broadcasting the IPG-claimed programs, and establish that IPG-claimed retransmitted broadcasts are shown on stations across the full range of distant retransmission fees generated." (Robinson Testimony at 21.)

Response to Request 19:

Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity. Moreover, the document request refers to

“formulas” that are not referenced in the cited testimony. Notwithstanding, IPG submits document category ##21, 22 and 24.

20. Provide all documents and calculations, including formulas utilized, underlying the statement: “From the foregoing data, I am able to demonstrate the distribution of the IPG-claimed retransmitted broadcasts by the number of distant subscribers who subscribe to the CSOs retransmitting stations broadcasting the IPG-claimed programs, and establish that IPG-claimed retransmitted broadcasts are shown on stations across the full range of distant subscribers.” (Robinson Testimony at 21-22.)

Response to Request 20:

Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity. Moreover, the document request refers to “formulas” that are not referenced in the cited testimony. Notwithstanding, IPG submits document category ##21, 22 and 24.

21. Provide all documents underlying the conclusion set forth in Paragraph 27 of the Testimony. (Robinson Testimony at 22.)

Response to Request 21:

IPG submits document category ##21, 22 and 24.

22. Provide all documents underlying the statement “In this report, I analyze the program titles and broadcasts claimed by IPG and examine the various indicators of the market value of those titles.” (Robinson Testimony at 23.)

Response to Request 22:

IPG submits document category ##21, 22 and 24.

23. Provide all documents underlying the statement: “I find that IPG’s program titles have substantial market value and substantial relative market value.” (Robinson Testimony at 23.)

Response to Request 23:

IPG submits document category ##21, 22 and 24.

RESPONSES TO FOLLOW-UP DOCUMENT REQUESTS

1. Provide all documents related to organization and changes in the organization, ownership or membership of IPG (including IPG Entities).

IPG Response: Objection, the document request is a subset of SDC Request no. 7 in the initial set of document requests. As noted therein, IPG already provided documents related to footnote 1 of IPG's written direct statement. Nonetheless, IPG objects that the document request is overly broad, and seeks documents beyond the scope of 37 C.F.R. Section 351.6. Further, the document request is vague and ambiguous, and seeks documents without sufficient specificity. No further documents will be produced.

Additional Response per Judges' order:

See documents produced as category nos. 1-2, 11, and 16.

2. Provide all documents related to challenges to or disputes concerning the ownership or membership of IPG (including IPG Entities).

IPG Response: Objection, the document request is overly broad, and seeks documents beyond the scope of 37 C.F.R. Section 351.6. Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity. No documents will be produced.

Additional Response per Judges' order:

See documents produced as category nos. 1-2, 11, and 16.

3. Provide all correspondence relating to the email at IPG0050, including the correspondence preceding this email.

IPG Response: No objection. Subject to the foregoing, IPG submits document category #5 (FOLLOW-UP).

4. Provide all correspondence relating to the email at IPG0052, including the correspondence preceding this email.

IPG Response: No objection. Subject to the foregoing, IPG submits document category #5 (FOLLOW-UP).

5. Provide all documents showing the authority of Lisa Katona to sign agreements on behalf of IPG.

IPG Response: Objection, the document request is overly broad, and seeks documents beyond the scope of 37 C.F.R. Section 351.6. Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity. No documents will be produced.

Additional Response per Judges' order:

See documents produced as category no. 16.

6. Provide all agreements with and correspondence with The AMS Agency relating to any claim in this proceeding.

IPG Response: No objection. Subject to the foregoing, IPG submits document category #5 (FOLLOW-UP).

7. Provide all documents relating to the ownership of the copyright to the programs "It is Written," "Breath of Life," and "Lifestyle Magazine."

IPG Response: Objection, the document request is vague and ambiguous, and seeks documents without sufficient specificity. Subject to the foregoing, IPG submits document category ## 5 (FOLLOW-UP) and 7.

8. Provide the document described in the Mandate Agreements at IPG17-32 as "the distribution methodology published at the IPG web site 'www.independentproducers.org', hereby incorporated by reference."

IPG Response: No objection. Subject to the foregoing, IPG submits document category #4 (FOLLOW-UP).

9. Provide the "letter dated July 2, 2000," referenced in paragraph 9 of IPG 0032.

IPG Response: No objection. Subject to the foregoing, IPG submits document category #4 (FOLLOW-UP).

10. Provide all documents related to the handwritten note on IPG 0033.

IPG Response: No objection. No documents will be produced.

IPG DOCUMENT CATEGORIES TO BE PRODUCED

Documents produced in hard copy:

1. Organizational filings for Worldwide Subsidy Group LLC (Texas).
2. Agreement of Assignment and Transfer of Assets of Worldwide Subsidy Group LLC (California).*
3. 1999 claims for cable retransmission royalties filed with U.S. Copyright Office.
4. Representation agreements between various parties and either Worldwide Subsidy Group LLC (California) or Worldwide Subsidy Group LLC (Texas).*
5. Correspondence between various parties and IPG.*
6. Summary of program titles prepared for 2000-2003 cable proceedings (Phase II).
7. Printout of U.S. copyright registrations filed by It Is Written, Inc., Breath of Life, Inc., and Faith for Today, Inc.
8. 2013 W-2 for Raul Galaz*
9. Finder's Fee agreement between Brewer, Brewer, et al. and Worldwide Subsidy Group.*
10. Correspondence to Copyright Royalty Board from Benny Hinn Ministries, Kenneth Copeland Ministries, and Anthony & Middlebrook.
11. Organizational filings for Worldwide Subsidy Group (California).
12. Printouts from official websites of IPG-represented claimants and other devotional entities.
13. Exhibit IPG-2 (p.9) to IPG Amended Direct Statement in the 2000-2003 Phase II proceedings.
14. Documents from 2000-2003 proceeding relating to "Feed the Children."**
15. Documents reflecting legal names of devotional claimants.

16. Documents not already produced related to changes in organization, ownership or membership of IPG i/c/w IPG representatives as of 1999 claimant filings.

Documents produced in electronic format:

21. Data received from Cable Data Corporation.*

22. MPAA Produced Nielsen Data (Second) (102 stations).*

23. Nielsen Television Audience Report, 2010 & 2011.

24. IPG database of 12,016 broadcasts.*

25. PG27.xlsx*

26. CDC Data Analysis.xls*

27. 1999 IPG and SDC broadcasts.accdb*

28. Tribune_Marsha v2 (unzipped)*

29. Tribune_Gray v2 (unzipped)*

30. Feed the Children, Inc.xls.*

31. Written testimony of Dr. Laura Robinson, and exhibits thereto, from 2000-2003 Phase II proceedings (Program Suppliers).

32. Transcript of oral testimony of Dr. Laura Robinson (June 6, 2013), from 2000-2003 Phase II proceedings (Program Suppliers).

*produced under Protective Order

Respectfully submitted,

Dated: February 17, 2014

/s/

Brian D. Boydston, Esq.
California State Bar No. 155614

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Attorneys for Independent Producers
Group

MacLean, Matthew J.

From: worldwidesg@aol.com
Sent: Wednesday, January 08, 2014 5:15 PM
To: davidjoe@amlawteam.com; MacLean, Matthew J.; brianb@ix.netcom.com;
david@amlawteam.com; matt@amlawteam.com
Cc: Harrington, Clifford M.; Lynch, Victoria N.
Subject: Re: 1998 Cable Proceeding Appeal

IPG will also chime in here.

Mr. MacLean has again grossly misrepresented facts. IPG has never asserted that it was the "agent" of Kenneth Copeland Ministries. In fact, IPG has asserted exactly the contrary, and clarified that its role is as an assignee of most parties whose catalogues it controls. Citation to such representation is found in the first few pages of the Direct Statement of IPG in the very proceeding cited by Mr. MacLean, wherein IPG stated that "In all but a handful of instances, IPG stands as an "assignee" of those producers' copyright retransmission royalty rights." To IPG's knowledge, Kenneth Copeland Ministries has never asserted that IPG was its "agent", nor has IPG asserted that it is an "agent" of Kenneth Copeland Ministries. All parties to the IPG/KCM agreement are in agreement as to IPG's status, as much as it may frustrate Mr. MacLean.

The citation set forth below was to an issue arising with another claimant and a different agreement altogether. IPG was engaged by Billy Graham Evangelistic Association for calendar years 2001-2003, then a "termination" letter was apparently sent to Marian Oshita in 2005. The CRB's ruling sought interpretation of this letter only because the SDC, not BGEA, claimed that such letter terminated IPG's ability to represent BGEA in the 2000-2003 proceedings and that BGEA should therefore receive nothing. Upon the order of the CRB, BGEA responded as IPG anticipated, and confirmed IPG's engagement for the only years in which IPG was claiming representation of BGEA. The Judges reference to taking a "dim view" of IPG's tactics was a reference to IPG's open and clear statement that IPG is not an "agent" and that any act taken by a copyright holder to renege on an agreement pursuant to which IPG had already acted in reliance on, would be a breach of contract. This was not a huge intellectual leap, obviously, but for whatever reason the Judges did not like it being stated openly.

IPG's appeal of the 1998 cable distribution ruling was not made as an agent of KCM, nor has IPG ever so asserted. It is merely a logical misstep by Mr. MacLean purposely taken for the purpose of dragging KCM into matters that do not involve any discretion of KCM, and for which KCM has not been consulted. As we understand it, the SDC's defense is that it entered into a settlement of such claims with a representative of IPG, not KCM, and that such settlement agreement does not even make mention of KCM. That is why, quite evidently, Mr. MacLean is quick to change the relevant facts, because the actual facts would make his arguments and threats evaporate.

Raul Galaz
Independent Producers Group

-----Original Message-----

From: David Joe <davidjoe@amlawteam.com>
To: MacLean, Matthew J. <matthew.macleam@pillsburylaw.com>; Brian D. Boydston, Esq. <brianb@ix.netcom.com>; David Middlebrook <david@amlawteam.com>; Matt Anthony <matt@amlawteam.com>; worldwidesg <worldwidesg@aol.com>
Cc: Harrington, Clifford M. <clifford.harrington@pillsburylaw.com>; Lynch, Victoria N. <victoria.lynch@pillsburylaw.com>
Sent: Wed, Jan 8, 2014 3:33 pm
Subject: RE: 1998 Cable Proceeding Appeal

Matthew, I am including my firm's principals in this response as well as IPG/WSG. I am sure that Brian Boydston will also reply. The appeal at issue

was not brought at the direction or behest of Kenneth Copeland Ministries ("KCM"), nor would KCM, on its own behalf, affirmatively seek to join in the prosecution of this appeal, upon its awareness of it, period. Leveling the threat of sanctions against KCM for "allowing" the actions of others is premised on a number of factual and legal assumptions you apparently have, not present here.

Thank you, David

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From: MacLean, Matthew J. [matthew.maclean@pillsburylaw.com]
Sent: Wednesday, January 08, 2014 11:44 AM
To: Brian D. Boydston, Esq.; David Joe
Cc: Harrington, Clifford M.; Lynch, Victoria N.
Subject: RE: 1998 Cable Proceeding Appeal

Brian,

IPG is, or claims to be, Kenneth Copeland Ministries' authorized agent for pursuing copyright royalties. Kenneth Copeland Ministries is the claimant and the copyright owner. It accepted the benefit of the settlement. To say Kenneth Copeland Ministries was not a party to the settlement agreement is to ignore the reality that the agreement was signed by its own agent and the funds were

distributed according to its own instructions. Nevertheless, it has since sat by idly while you and IPG pursue this ridiculous and baseless appeal.

As the CRB has held, "IPG has not established itself as an assignee of rights that would justify distribution of royalties to IPG for its own account. Therefore, the Judges assess IPG's role in the claim filing process as one of agent for the respective claimants." Memorandum Opinion and Order Following Preliminary Hearing on Validity of Claims, Docket No. 2008-2 CRB CD 2000-2003 (Phase II), at 2 (Mar. 21, 2013).

We presume that IPG is acting on Kenneth Copeland Ministries' behalf. If not, then IPG has no standing in this matter. If IPG is not acting on behalf of Kenneth Copeland Ministries, then I ask you and Mr. Joe to so inform the court and the Copyright Royalty Board so that we can have this nonsense dismissed for lack of standing once and for all. We will then seek sanctions against IPG alone.

David,

By allowing your client's agent to pursue this frivolous appeal, you are making yourself and your client accomplices to something I know that neither of you wants to be a part of. We only want to honor and enforce the agreement that you and your client accepted, and we want you to honor it too.

We are not your enemy. Look at our written direct case in the 1999 cable case and look at IPG's. Decide which makes more sense to you (and be aware that at one point we offered to settle for [REDACTED]). Read the Judges' opinion from the 2000-03 cable case, and decide whether IPG is capable of pursuing your client's interests. If you don't have these documents, ask why you don't have them. I'll be happy to send them to you.

Your client does not have to put up with this. The Copyright Royalty Board has held that the claimant can choose its representatives, and is not bound to be represented by IPG. If you have not seen this ruling, ask why not. I call your attention to the following passage from the Memorandum Opinion and Order Following Preliminary Hearing on Validity of Claims, Docket No. 2008-2 CRB CD 2000-2003 (Phase II) (Mar. 21, 2013):

"[T]hose who file claims on behalf of copyright claimants act as their agents. ... [T]he legal right to the royalties, if any, remains with the claimant. The claimant does not sacrifice that right merely because it authorizes an agent to file a claim on its behalf with the Judges or their predecessors. The terms of the Mandate Agreement that [claimant] entered into with IPG states that '[t]he undersigned claimant hereby grants and assigns Independent Producers Group (IPG) the exclusive right to apply for and collect on behalf of the undersigned all monies distributed by the United States Copyright Office and the [CARP].' ... The right to apply for and collect royalties on behalf of another does not create the entitlement to royalties. The entitlement to royalties, if any, is created by the Copyright Act. The Judges take a dim view of IPG's mischaracterization of [claimant]'s rights under the Copyright Act and of the strong-arm tactics it used to prevent [claimant] from severing the principal/agency relationship that [claimant] had clearly revoked. Nevertheless, dismissing the claims that IPG filed on [claimant]'s behalf, as the SDC has requested, would unfairly punish [claimant]. The Judges want to make it clear, however, that claimants may pursue their own claims before the Judges even if such claims are initially filed on their behalf by another. ...

"[T]he Judges ORDER IPG to issue a letter to [claimant]'s chief legal officer stating that within 30 days of receipt of the letter [claimant] must inform the CRB in writing whether it intends to continue to pursue its cable claims for 2002, 2003, and 2004, and if so, identify its authorized representative. IPG's

letter to [claimant] must clearly state that although it may choose for IPG to represent it before the Judges, it is under no obligation to do so. All correspondence between IPG and [claimant] relating to IPG's continued representation of [claimant] in this proceeding must be filed with the CRB."

Matthew J. MacLean | Pillsbury Winthrop Shaw Pittman LLP

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-----Original Message-----

From: Brian D. Boydston, Esq. [<mailto:brianb@ix.netcom.com>]
Sent: Tuesday, January 07, 2014 3:22 PM
To: MacLean, Matthew J.
Cc: worldwidesg@aol.com; davidjoe@amlawteam.com
Subject: 1998 Cable Proceeding Appeal

Dear Mr. MacLean,

As I understand, you are threatening "sanctions" against Kenneth Copeland Ministries, a non-party to IPG's appeal, pursuant to which the SDC's defense is that an agreement settling the matter already exists - - an agreement to which the SDC acknowledges Kenneth Copeland Ministries is not a party, or even mentioned. Feel free to enlighten all of us at this time on what basis Kenneth Copeland Ministries could be sanctioned, because we really do not see it.

Thanks, as we are all looking forward to your response.

Brian Boydston

**IN THE UNITED STATES COURT OF APPEALS
FOR THE DISTRICT OF COLUMBIA CIRCUIT**

Independent Producers Group)
and Independent Producers Group)
Represented Program Supplier)
))
Appellants,)
v.)
))
The Librarian of Congress and)
The Register of Copyrights)
))
Appellees.)

Case No. 13-1132

**APPEAL OF INDEPENDENT PRODUCERS GROUP FROM RULINGS OF
THE COPYRIGHT ROYALTY BOARD, REGISTER OF COPYRIGHTS,
LIBRARIAN OF CONGRESS**

APPELLANT’S REPLY BRIEF

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ARGUMENT

A. IPG Had No notice of the 2003 Order of the Librarian at Issue

Herein.

As articulated by the Copyright Royalty Board (“CRB”), the basis of the orders at issue herein was the 2003 order of the Librarian of Congress which referenced a settlement between the Devotional Claimants and IPG. *Neither of the briefs filed in opposition to IPG’s appeal challenge the primary fact upon which IPG’s appeal turns - - that the CRB sought to attribute IPG with knowledge of a 2003 order that was neither (1) served on IPG (providing actual notice) nor (2) published in the Federal Register (providing constructive notice).* Neither of the briefs filed in opposition to IPG’s appeal cite to evidence that the motion precipitating such order was signed by any IPG representative, or subsequently served on IPG.

No issue exists that the Librarian’s 2003 ruling, which ostensibly provided a “final determination” as to 1998 cable royalties for the devotional programming category, was not published in the Federal Register, in or around 2003 or otherwise. As such, attention turns to the issue of whether IPG was served with such ruling. Close review of the Librarian’s¹ brief reflects but a single argument - -

¹ For ease of reference, the opposition brief filed by the Librarian of Congress and Register of Copyrights is referred to hereafter as the “Librarian’s brief”.

that IPG's "contention is difficult to fathom." Librarian brief at 37. For evident reason, the Librarian does not simply produce the most obvious evidence to resolve the issue, i.e., the Librarian's service list, because the Librarian apparently failed to serve its order on any parties, much less on IPG at its address-of-record.²

Instead, each of the opposition briefs misstates or ignores certain key facts in an attempt to address a secondary matter - - whether a valid agreement existed between the Devotional Claimants and IPG - - that, depending on the perspective of this Court, was either a basis for the CRB's ruling or mere *dicta*.³ In their attempt to address such secondary matter, the briefs of the Librarian and Intervening Parties misstate certain seminal facts. Specifically, such parties

² Prior to any issuance of the November 2003 order to which the Librarian asserts IPG is bound, IPG had submitted filings with the CRB predecessor in this proceeding that identified IPG's address, as a matter of record. No party, including the Librarian, has disputed that a copy of the November 2003 order was never served on IPG at such address, or any address.

³ As noted in IPG's moving brief, while the CRB expressly ruled on the existence and validity of a "July 29, 2003 settlement agreement" in its initial order of January 31, 2013 see the Joint Appendix (hereinafter referred to as "JA"), ____, in its March 11, 2013 order on IPG's motion for reconsideration (JA ____) the CRB then denied the significance of such statement toward its ruling, and asserted that the aspect of its ruling that was dispositive of the matter was that the Librarian of Congress had issued an order on the matter almost a decade earlier, in 2003. (JA ____ at ____). The CRB, however, conspicuously failed to even address IPG's argument that the 2003 order was not served on IPG at its address-of-record, or otherwise.

misstate (i) that IPG has been “riven by internal disputes over control of the company” “for at least a decade”,⁴ (ii) “that IPG did not dispute the validity of the 2003 settlement at the time”, and (iii) that “in January 2013” a California state court resolved a dispute as to the authority of particular IPG corporate officers to execute settlement agreements on IPG’s behalf.⁵

⁴ The Librarian’s brief repeatedly states that IPG’s “principal officers” have fought over control of the company “for at least a decade”, and inaccurately attributes the CRB’s order of January 31, 2013 with the assertion that such dispute is responsible for “the long delay in final distribution of [1998] funds.” Librarian brief at 9. Such statements are tantamountly false. The only dispute amongst IPG’s members about IPG ownership was resolved in January 2005, when a California court dispositively ruled on the matter in a case entitled *Lisa Katona Galaz v. Marian Oshita, et al.*, Los Angeles Superior Court, Case no. BC 297015. Such case confirmed that Lisa Katona Galaz retained the majority interest in IPG, and that Marian Oshita had always retained no more than a minority interest position in IPG, which ruling was affirmed on appeal.

Also, as per the CRB’s order of January 31, 2013, the delay in distribution of 1998 funds was due to the pending state court action between IPG and the MPAA regarding the validity of an agreement, not internal disputes amongst IPG’s members. (JA ___ at 2.) IPG is unaware for what purpose the Librarian has made such inaccurate assertions other than to suggest that the alleged IPG/Devotional Claimants settlement agreement is valid and enforceable, and that any delay in the CRB’s final distribution order is attributable to IPG.

⁵ In fact, no such ruling was forthcoming as a result of the litigation. IPG sought to affirmatively invalidate a settlement agreement between IPG and the Motion Picture Association of America (“MPAA”) on the grounds that, as here, such agreement was entered into by Marian Oshita, an individual whom the MPAA was expressly aware had no authority to enter into an agreement on behalf of IPG.

The first and third assertions are demonstrably false (see footnotes, *supra*). The second assertion simply ignores the irrefutable facts raised by IPG that precluded IPG's knowledge of any alleged settlement agreement, much less IPG's challenge thereof:

-no *authorized* signatory of IPG entered into a 2003 settlement agreement with the Devotional Claimants;

-no *authorized* representative of IPG was made aware of a 2003 settlement agreement;

-no motion to the CRB's predecessor relating to a 2003 settlement agreement was ever signed by *any* representative of IPG, or authorized by any representative, or served on IPG at its address of record or otherwise;

-no payment on any settlement agreement ever made its way into an IPG bank account;

-no orders relating to the 1998 cable royalty fund were ever served on IPG or published in the Federal Register;

However, the case was ultimately dismissed on summary judgment on grounds unrelated to that issue, as was even conceded in the Librarian's brief. Librarian's brief at fn.7.

- the Devotional Claimant's first mention of a "July 29, 2003" settlement agreement was not made until September 11, 2012; and
- IPG has *yet to see* an unredacted copy of the settlement agreement or any anecdotal evidence of settlement.

Despite the foregoing, the opposition briefs repeatedly criticize IPG for not making a "contemporaneous" challenge to the 2003 settlement agreement that the Devotional Claimants maintain exists, and the 2003 ruling of the Librarian of Congress - - the same agreement that the Devotional Claimants have yet to provide to IPG, and the same ruling that the Librarian failed to serve on IPG. As a matter of logic, IPG could not have disputed the validity of an agreement *of which it was not even aware*.⁶ As a matter of logic, IPG could not have disputed an order not served on IPG, or for which IPG had not received constructive notice.

⁶ The Librarian's brief further asserts that IPG's challenge regarding final distribution of funds in the Phase II portion of the devotional programming category is somehow newfound, going so far as to attribute the challenged CRB opinions with the statement that "IPG had never previously raised any objection to the validity of the 2003 agreement". Librarian brief at p. 35. No such statement appears anywhere in those opinions.

In any event, the Librarian's assertion is effectively disproved by its own text. The Librarian acknowledges that IPG responded to the CRB's January 2008 order requiring parties to submit petitions to participate in the 1998-1999 distribution proceedings by "raising Phase II claims as to the 1998 cable royalty fund in both the religious programming and the program suppliers categories." Librarian brief

In an evident effort to mislead this Court, both the Librarian and the Intervenor assert that all parties with claims to 1998 devotional programming royalties notified the Librarian of their settlement in 2003, via a “Notice of Settlement of 1998 Phase II Devotional Claims and Motion for Distribution of Funds”. *Citing* Exh. 2 to “SDC Opposition to Motion for Reconsideration of Order Granting Final Distribution of the 1998 Cable Royalty Funds (Devotional)”, filed February 25, 2013. (JA ___). In fact, and as detailed at pp. 12-13 of IPG’s moving brief, ***such document was not signed by an IPG representative, was not served on IPG, and was signed by Arnold Lutzker, Esq. (counsel to an adverse party),***

at 13. However, while all parties thereto sought to stay the program suppliers aspect of those proceedings pending resolution of the IPG/MPAA litigation, at no time did the Devotional Claimants make mention of the settlement agreement at issue here as a basis for making a final determination as to the devotional programming aspect of such proceedings. (*See* Devotional Claimants’ Motion to Stay Proceeding, filed June 24, 2008; JA ___). That is, the Devotional Claimants’ motion to stay proceedings cite IPG’s litigation with the MPAA, and even IPG litigation with IPG’s former legal counsel as bases for the stay, but made absolutely no mention of the “July 29, 2003” settlement agreement that would have obviated any proceedings relating to 1998 devotional programming royalties. (JA ___).

In fact, no mention of the “July 29, 2003” settlement agreement was made by the Devotional Claimants in any filings until September 2012. (JA ___). Consequently, any consideration of the Devotional Claimants’ assertion of a “July 29, 2003” settlement agreement could not have been addressed by IPG until after it was first raised by the Devotional Claimants in their “Reply to Opposition of IPG to Motion for Final Distribution of 1998 and 1999 Cable Royalty Funds and 1999 Satellite Royalty Funds”, filed September 11, 2012. (JA ___ at 4).

purporting to sign on behalf of IPG. Mr. Lutzker, who remains active in CRB proceedings as legal counsel to the Devotional Claimants, *conspicuously failed to submit a declaration indicating that he had authorization to execute such filing on behalf of IPG*, or produce evidence that he even provided IPG an executed copy thereof. Nonetheless, in an effort to gain credibility as to their position, both the Librarian and Intervenors gloss over such fact, and blithely assert that IPG was a party to such notice and motion. Such was not the case.

Quite simply, the opposition briefs miss the point of the CRB's ruling. *IPG could not challenge matters with which it was not aware*. The CRB rulings at issue in this appeal are literally hoisting onto IPG the Devotional Claimants' purported consequences of an agreement that neither the CRB or IPG have seen in their entirety, based on orders that IPG did not see at all.⁷ All of the foregoing stands to reason as a matter of logic.

⁷ Ironically, throughout the Librarian's brief, the Librarian refers to the settlement of the 1998 cable royalties for the devotional programming category, even though the CRB *has never seen* an unredacted copy of such agreements, and never seen a copy of such agreements executed by an authorized representative of IPG.

B. The CRB's "Not In Controversy" Exemption to Judicial Review is logically unsound. IPG's appeal is properly before the Court, either by statutory authorization, APA review, or Constitutional challenge.

The opposition brief filed by the Librarian leads with the argument that only final "determinations" made by the CRB following an adversarial proceeding are capable of review by this Court, and only if such determination is subsequently published in the Federal Register - - but that determinations that finally dispose of a party's ability to even participate in such adversarial proceedings and/or preclude the calling of such adversarial proceedings, as has occurred here, are not subject to review. The opposition brief filed by the Devotional Claimants and MPAA-represented Program Suppliers (collectively, "Intervenors") ostensibly join in this argument, but disagree that a final "determination" is limited to determinations made following a fully-litigated, adversarial proceeding. Intervenors brief at fn. 1.⁸ The position of the Intervenors are irreconcilable with the Librarian's position on such point, which relies on an exact and literal reading of 17 U.S.C. Section 803(c) and (d).

⁸ For ease of reference, the opposition brief filed jointly by the Devotional Claimants and MPAA-represented Program Suppliers shall be referred to as the "Intervenors brief".

The Librarian's position, apparently, is that the CRB is insulated from any review of any determination that wholly precludes a party's participation in a cable distribution proceeding simply by proclaiming that the proceeding is not "in controversy", even against the affected party's protestation otherwise. Clearly, the 1998 devotional programming royalties are "in controversy", as evidenced by IPG's filings with the CRB and this Court.⁹ The Librarian's form-over-substance position that the CRB determination of "no controversy" exempts such determination from judicial review, no matter how irrational the determination, cannot reasonably serve to automatically shield such determination from judicial review.¹⁰

⁹ No issue exists that IPG made all necessary filings to preserve its claims, and to participate in 1998 cable proceedings, including IPG's filing of a "petition to participate" pursuant to the CRB's January 2008 announcement, published at 73 Fed. Reg. 5596 (January 30, 2008). Librarian brief at 13.

¹⁰ The question is begged by the Librarian's brief, at what point is a CRB order denying IPG any ability to proceed to recover royalties from this particular pool capable of being addressed, if ever? If the CRB fails to ever provide copies of its orders to the address-of-record of IPG, or publish such orders in the Federal Register, how is IPG even capable of knowing about the CRB's orders? By what mechanism is IPG able to appeal orders that dispositively and finally deny IPG's substantive claims?

The Librarian puts forth the self-evident fact that *if* a settlement agreement had been entered into amongst the parties, and no issue existed in connection therewith, that any ruling accepting the assertion of settlement would not be a "determination" subject to review. However, *if* a settlement agreement had been

Notwithstanding, if attention is turned to the CRB'S underlying determination of "no controversy", then the failure of the CRB to act within the bounds of its authority is apparent. At the point in which the CRB initially ruled that the 1998 cable proceedings in the devotional category were not "in controversy" (JA __), the Devotional Claimants had not provided the CRB with *any* evidence of the alleged settlement agreement, even an unredacted copy of the alleged settlement agreement. By the second ruling of the CRB at issue herein, which ruling included the CRB's denial that it had made any ruling as to the existence or validity of the Devotional Claimants-purported settlement agreement (JA __), the CRB had only received a substantially redacted copy of the agreement, and other substantially redacted documents.¹¹ The Devotional Claimants, in their

entered into, and no issue existed in connection therewith, there would be *no reason* for a party to seek judicial review. Such was not the case before the CRB. ***IPG expressly challenged the existence of any legitimate settlement agreement at the earliest stage of proceedings that were publicly noticed.***

¹¹ Despite the Librarian's exaggerated claim that the Devotional Claimants provided "extensive documents" to support the existence of a settlement agreement, such was not the case. For the reasons more extensively set forth at in IPG's "Reply in support of Motion for Reconsideration of Order Granting Final Distribution of the 1998 Cable Royalty Funds (Devotional)" (JA _____), the Devotional Claimants failed to establish the existence of a settlement agreement with an authorized IPG signatory, or even sufficient anecdotal evidence of IPG's receipt of settlement funds.

refusal to provide IPG with unredacted documentation, continued to maintain that IPG was not entitled to see the agreements to which it was bound on grounds of “confidentiality”.

Notwithstanding, all of the foregoing is moot to the Librarian’s argument because the CRB expressly ruled that its “no controversy” determination was *not* premised on a ruling as to the validity of the Devotional Claimants-asserted settlement agreement, but on the simpler determination that the Librarian of Congress had already issued orders on the matter almost a decade earlier - - i.e.,

What documents were provided by the Devotional Claimants were begrudgingly provided, were incomplete, contradicted prior representations of the Devotional Claimants to such an extent that they demonstrated the Devotional Claimants misrepresentation as to the actual date of agreements, contained correspondence only between the Devotional Claimants and either a non-authorized IPG member or non-IPG member, and included heavily-redacted documents purporting to reflect payments under the ostensible settlement agreement, where even the bank account numbers, payment amounts, and identification of the payee, *are all redacted*. No evidence revealed payment into an IPG account. No reasonable court of law would have accepted such documents as sufficient evidence of a settlement agreement or performance thereon. *See generally*, exhibits to Devotional Claimants’ “Opposition to IPG Motion for Reconsideration of Order Granting Final Distribution of the 1998 Cable Royalty Funds (Devotional)” (JA _____); *see also*, IPG’s “Reply in support of Motion for Reconsideration of Order Granting Final Distribution of the 1998 Cable Royalty Funds (Devotional)” (JA _____).

the 2003 determination that was neither served on IPG or published in the Federal Register.

If the Librarian is to construe a “determination” so narrowly as to not even include *orders that dispose of a party’s claims* then, at best, its argument is that IPG’s appeal is premature because the CRB has yet to publish its “determination” in the Federal Register. The CRB cannot reasonably argue, however, that a ruling dispositively denying IPG’s substantive claims is not required to be published in the Federal Register, and therefore not subject to review, simply because the CRB’s conclusion following the contestations of parties is that there is “no controversy”.

As such, this matter appears subject to the statutory authorization of this Court to review, as the CRB is making a *de facto* “final determination”. Although the Librarian argues that Section 803(d) of Title 17 limits this Court’s review to “final determinations” under Section 803(c), i.e., final determinations following administrative proceedings and publication in the Federal Register, such provision also references judicial review of such determinations under 5 U.S.C. Section 706, which expressly allows for the judicial review to “compel agency action unlawfully withheld or unreasonably delayed”. *See* 17 U.S.C. Section 803(d)(3), 5 U.S.C. Section 706. Logically, such provision would be superfluous to address a “final determination” under the Librarian’s narrow construction, as any already-

existent “final determination” could never be characterized as being withheld or delayed because it has already occurred. Consequently, 17 U.S.C. Section 803(d)(3) and 5 U.S.C. Section 706 collectively provide IPG standing to seek judicial review to compel the CRB to commence proceedings relating to the 1998 cable distribution proceedings in the devotional programming category, *exactly* as IPG seeks herein.¹² Therefore, IPG appears to have satisfied all of the jurisdictional prerequisites necessary for review by this Court.

Moreover, and in the absence of such rulings being deemed a “final determination”, interim rulings would appear to be subject to Administrative Procedure Act review pursuant to the reference thereto at 17 U.S.C. Section 701(e). Although the Librarian cites authority for the proposition that actions of the Librarian are not subject to the Administrative Procedures Act, the CRB is primarily under the aegis of the Register of Copyrights, who stands in review of the CRB’s legal conclusions (17 U.S.C. Section 802(f)(1)(D)). Pursuant to that provision, the failure of the Register of Copyrights to determine legal error “within 60 days” effectively deems the CRB’s final determination as adopted by the Register of Copyrights. In turn, 17 U.S.C. Section 701(e) provides for review of any action by the Register of Copyrights under the Administrative Procedures Act.

¹² Section 803(b) also makes reference to the ability of any aggrieved participant under Section 803(b)(2) to make appeal, which includes any person or entity that has filed a facially valid petition to participate. 17 U.S.C. Section 803(b)(2). As acknowledged by the Appellees, IPG timely filed a petition to participate. Librarian’s brief at 13.

Finally, and contrary to the Librarian's assertion, IPG would be capable of making a constitutional challenge to the denial of IPG's ability to partake in the 1998 distribution proceedings, as the compulsory licensing provisions of 17 U.S.C. Section 111 would be, absent any compensation payable to the underlying owner of copyright, an unlawful "taking" without compensation, in violation of the Fifth Amendment to the Constitution. *See Roth v. Pritikin*, 710 F.2d 934, 939 (2nd Cir., 1983).

C. The Appeal has no relation to any distribution of 1998 funds in the Program Suppliers category.

For reasons that are not altogether clear, the Intervenors argue to that the resolution of the issues addressed herein have no relation to any distribution of 1998 funds in the Program Suppliers category (as opposed to the Devotional programming category). IPG does not dispute such fact, nor understand why such argument was presented by the Intervenors.

D. The Appeal has no relation to Kenneth Copeland Ministries.

As but another red herring, the Intervenors refer to correspondence with counsel for Kenneth Copeland Ministries ("KCM"), asserting that IPG is but an agent for such entity. As Intervenors are well aware, neither IPG or KCM has characterized IPG as KCM's "agent". Rather, and as the record in prior

proceedings will uniformly reflect, IPG has always represented itself as an “assignee” of KCM’s rights, and KCM agrees with such characterization.

Consequently, the Devotional Claimants’ attempts to go behind IPG by attempting to negotiate with IPG’s assignors, and ascribe IPG with knowledge of such communications, has no bearing on IPG.

As to the Intervenor’s threat of sanctions against KCM, the undersigned will represent that counsel for the Devotional Claimants contacted counsel for KCM on the day of the filing of the Intervenor’s brief in order to threaten sanctions against such entity if IPG’s appeal were not dismissed, to which IPG and KCM both confirmed, again, that IPG is not an “agent” of KCM. As the record reflects, KCM is not a party to this appeal, nor represented by IPG herein. As was further clarified to the Devotional Claimants, its own defense to IPG’s challenge is that it purports to have entered into a settlement agreement with IPG (not KCM), the unredacted portion of which make no mention of KCM, *anywhere*. (Exhs. __ and __ to JA __). Consequently, Intervenor’s recent threats to have KCM sanctioned for filing a frivolous appeal are without basis, and find no place in these proceedings.

CONCLUSION

The Appellees present no evidence challenging IPG's assertion that the 2003 Librarian order making a final determination of 1998 cable royalties in the devotional programming category was actually served on IPG. No issue exists that such orders were not published in the Federal Register.

Seeking to avert attention from these irrefutable facts, which are dispositive of the substantive issue herein, the Appellees attempt to convince this Court of a valid "settlement" of IPG's 1998 claim. Arguing that this Court should deem there to have been an enforceable settlement, the Appellees engage in the circular argument that IPG's appeal is misplaced "because a settlement existed", even though IPG has argued that no such settlement agreement exists with an authorized representative of IPG, a determination keenly outside the jurisdiction of the CRB to make.

Notwithstanding, review of the inadequate evidence submitted by the Devotional Claimants in order to establish the existence of a settlement agreement, all of which was submitted to the CRB and IPG in a heavily redacted format, demonstrates that the Devotional Claimants are being less than forthright. Rather than take the logical avenue of simply presenting IPG with evidence of an enforceable agreement and payment thereon, the Devotional Claimants played a

game of refusing to produce such agreement because they knew it was signed by an unauthorized signatory. Reluctantly, and only as part of IPG's motion for reconsideration of the CRB ruling, the Devotional Claimants waited until February 2013 to produce an agreement with the unauthorized representative of IPG, coupled with evidence of an unidentified payment to an unidentified account that, from what information was produced, was not an IPG account.

For the reasons set forth above, IPG respectfully requests that this Court reverse the CRB's orders of January 31, 2013 and March 11, 2011, to the extent that they issue a final distribution of 1998 cable royalties attributable to the devotional programming category, and remand the matter to the CRB in order for proceedings thereon to be commenced.

Respectfully submitted,

Dated: January 16, 2014

/s/

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Group

CERTIFICATE OF SERVICE

I hereby certify that on this 16th day of January, 2014, a copy of the foregoing was served electronically through the Court's CM/ECF system, on the parties listed below.

_____/s/_____
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CERTIFICATE OF COMPLIANCE

1. This brief complies with the type-volume limitation of Fed. R. App. P. 32(a)(7)(B) because:

this brief contains 5,154 words, excluding
the parts of the brief exempted by Fed. R. App. P. 32(a)(7)(B)(iii).

2. This brief complies with the typeface requirements of Fed. R. App. P. 32(a)(5) and the type style requirements of Fed. R. App. P. 32(a)(6) because:

this brief has been prepared in a proportionally spaced typeface
using Microsoft Word in font size 14 and Times New Roman type style.

Dated: January 16, 2014

_____/s/_____

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EXHIBIT FILED UNDER SEAL
Subject to Protective Order in Docket No. 2008-1 CRB CD 1998-1999 (Phase II)

SDC-P-012

Opinion 536

May 2001

Tex. Comm. on Professional Ethics, Op. 536, V. 64 Tex. B.J. 7 (2001)

QUESTION PRESENTED

May a lawyer receive referral or solicitation fees from an investment adviser for referring a client to the investment adviser?

STATEMENT OF FACTS

An investment advisory firm ("Investment Adviser") that is registered under the U.S. Investment Advisers Act of 1940 ("Advisers Act") and the Texas Securities Act of 1957 ("Texas Act") and qualified to provide investment advisory services in Texas under the Texas Act proposes to enter into an arrangement with a lawyer concerning an investment advisory program (the "Program") provided by the Investment Adviser. Under the Program, the Investment Adviser will pay the lawyer a referral or solicitation fee for referring clients to the Investment Adviser. The referral fee will be a percentage of the fees paid by the client to the Investment Adviser for investment advisory services throughout the period that the client's funds are invested.

The lawyer's involvement in the Program is proposed to be limited to (i) providing clients with materials describing the Program, (ii) introducing the client to the Investment Adviser's registered personnel and attending meetings at which the Investment Adviser's personnel will explain the Program to the client and assist the client in choosing the investment advisory services that best fit the client's investment advisory needs, and (iii) receiving copies of periodic investment advisory statements so that the lawyer may monitor the client's involvement in the Program. It is assumed for the purposes of this opinion that the participating lawyer and the Investment Adviser comply with all legal requirements under the Advisers Act and the Texas Act and with all other legal requirements applicable to a relationship of this nature.

We have been advised in the opinion request that the Securities and Exchange Commission has taken the position that the person providing solicitation services for a fee (in this situation the lawyer) is not required to register as an Investment Adviser under the Advisers Act if certain conditions are met, including the requirement that the solicitation fee is paid pursuant to a written agreement which: a) describes the solicitor's activities and compensation; b) contains the solicitor's undertaking to perform those duties consistent with the Investment Adviser's instructions; and c) requires the solicitor, at the time of the solicitation, to provide the client with a copy of the Investment Adviser's disclosure document, and a separate written disclosure document that sets forth certain information about the Investment Adviser, the solicitor and the arrangement. Accordingly, the arrangement between the Investment Adviser and lawyer, including the solicitation fees to be received by the lawyer, is disclosed to the client prior to his entering into the Program and the client acknowledges receipt of such information.

DISCUSSION

The referral fee arrangement described above raises conflict of interest issues under the Texas Disciplinary Rules of Professional Conduct (the "Rules"), as discussed below.

Rule 1.06(b)(2) provides that:

“(b) In other situations and except to the extent permitted by paragraph (c), a lawyer shall not represent a person if the representation of that person:

...

(2) reasonably appears to be or become adversely limited by the lawyer’s or law firm’s responsibilities to another client or to a third person or by the lawyer’s or law firm’s own interests.”

Since the lawyer will receive fees from the Investment Adviser for recommending the Investment Adviser to the lawyer’s client, the lawyer might advise the client to choose one approach to investing if there were no fee arrangement with the Investment Adviser, while the lawyer might be swayed by the promise of a solicitor’s fee to give different advice in order to receive a fee. Comment 4 to Rule 1.06 cautions that loyalty to a client is impaired in any situation when a lawyer may not be able to consider, recommend or carry out an appropriate course of action for a client because of the lawyer’s own interests.

The obligation to provide independent advice to each client is an essential element of a lawyer’s relationship with the client that is reinforced by Rule 2.01, which provides:

“In advising or otherwise representing a client, a lawyer shall exercise independent professional judgment and render candid advice.”

In this regard, the facts indicate that the lawyer will sign an agreement with the Investment Adviser undertaking to perform his duties consistent with the Investment Adviser’s instructions. And following the lawyer’s initial counseling of the client that results in a referral to the Investment Adviser, if the client agrees to participate in the Program the lawyer thereafter receives from the Investment Adviser copies of periodic investment advisory statements related to the client’s investments so that the lawyer may monitor the client’s involvement in the Program. A client cannot reasonably expect to receive independent professional judgment from his lawyer when such lawyer is contractually obligated to perform his duties consistent with the Investment Adviser’s instructions, and his monitoring of the client’s involvement in the Program results in additional solicitation or referral fees to the lawyer.

This referral arrangement constitutes a conflict of interest under Rule 1.06(b)(2) because the lawyer’s representation reasonably appears to be adversely limited by the lawyer’s own financial interests and by his obligations to a third person, the Investment Adviser.

Before accepting or continuing a representation that involves a conflict of interest under Rule 1.06(b), the lawyer must satisfy the requirements of Rule 1.06(c), which provides:

“(c) A lawyer may represent a client in the circumstances described in (b) if:

(1) the lawyer reasonably believes the representation of each client will not be materially affected; and

(2) each affected or potentially affected client consents to such representation after full disclosure of the existence, nature, implications, and possible adverse consequences of the common representation and the advantages involved, if any.”

Under this Rule, the lawyer must first reasonably determine whether the arrangement with the Investment Adviser will materially affect the lawyer's representation of the client. Comment 5 to Rule 1.06 notes that:

"[A] lawyer's need for income should not lead the lawyer to undertake matters that cannot be handled competently and at a reasonable fee. . . . If the probity of a lawyer's own conduct in a transaction is in question, it may be difficult for the lawyer to give a client detached advice."

With respect to determining whether a client can provide effective consent to a conflict of interest, Comment 7 to Rule 1.06 cautions that:

"[W]hen a disinterested lawyer would conclude that the client should not agree to the representation under the circumstances, the lawyer involved should not ask for such agreement or provide representation on the basis of the client's consent."

It is the opinion of the Committee that the standards of Rule 1.06(c) cannot be met under these circumstances. Because the client's participation in the Program could continue for a substantial period of time and the lawyer has contractual obligations to the Investment Adviser, the lawyer could not reasonably believe that this arrangement with an Investment Adviser would not materially affect his representation of the client. For example, the on-going fee arrangement to the lawyer from the Investment Adviser would create a financial inducement for the lawyer to avoid a critical appraisal of the Investment Adviser's on-going services that might lead to a recommendation that the client terminate such advisory services. Moreover, the inherent uncertainties involved in an lawyer monitoring his client's involvement in the Program over a period of time would make it impossible for the lawyer to provide full disclosure of the implications and possible adverse consequences resulting from the representation.

CONCLUSION

A lawyer's receipt from an Investment Adviser of solicitation fees that continue while the lawyer's client continues to receive services from the Investment Adviser violates Rule 1.06(b)(2) because the lawyer's representation of the client would be adversely limited by the lawyer's own financial interests and his obligations to the Investment Adviser. Under these circumstances the lawyer could not satisfy the requirements of Rule 1.06(c).

**IPG-represented claimants
2000-2003 Cable Distribution proceedings (Phase II)**

	Devotional		
1	Benny Hinn Ministries		
2	Billy Graham Evangelistic Association		
3	Creflo A. Dollar Ministries		
4	Jack Van Impe Ministries International		
5	Eagle Mountain International Church aka Kenneth Copeland Ministries		
6	Life Outreach International		
7	Salem Baptist Church of Chicago, Inc.		
8	W.R. Portee Word Healing Ministry aka Southside Christian Palace Community Church		
	Sports		
1	Federation Internationale de Football Association		
2	United States Olympic Committee		
3	United Negro College Fund		
	Program Suppliers		
1	3DD Entertainment		
2	A&E Television		
3	Academy of Television Arts and Sciences		
4	Adler Media		
5	Advantage Media Group		
6	Agency for Instructional Technology		
7	American Film Institute		
8	America's Black Forum (cka New Millenium Media Partners)		
9	Anheuser-Busch Companies, Inc.		
10	Ardent Productions		
11	Atlantic Film Partners		
12	Aviva International (cka DAS Entertainment)		
13	BBC Worldwide		
14	Beacon Communications Corp.		
15	Beckmann Int'l / Twin Cities Public TV		
16	Best Direct (International) Ltd.		
17	Beyond International		
18	BKS Entertainment (cka Role Entertainment)		
19	Bloomberg Television		
20	Breakthrough Films		
21	BVTV, Inc.		
22	C/F International		
23	Canamedia Productions, Ltd.		
24	Candid Camera, Inc.		
25	Carol Reynolds Productions Inc.		
26	CCI Entertainment		
27	Central City Productions		
28	Cheaters International		
29	Chesler Perlmutter Productions		
30	Cinegroupe Images Inc.		
31	Cinemaginaire Inc.		

**IPG-represented claimants
2000-2003 Cable Distribution proceedings (Phase II)**

32	Cinemavault Releasing, Inc.		
33	Cirque du Soleil Images Inc.		
34	Cogeco Radio-Television		
35	Computer Personalities Systems Inc.		
36	Conus Communications		
37	Cosgrove Meurer Productions		
38	Cottage Country Television (2000) Inc.		
39	Daniel Hernandez Productions		
40	David Finch Distribution Ltd. Fka David Finch Associates		
41	Decode Entertainment cka DHX Media		
42	Devillier Donegan Enterprises, L.P.		
43	Direct 2U Network, Inc.		
44	Distraction Formats		
45	DreamWorks LLC		
46	Eagle Rock Entertainment		
47	Enoki Films		
48	Entertainment Rights PLC		
49	Envoy Productions		
50	Farm Journal Electronic Media Company		
51	Feed the Children, Inc.		
52	Filmline International 1999 Inc.		
53	Fishing University LLC		
54	Fitness Quest, Inc.		
55	Five Star Prods. aka 5 Star Productions		
56	France Animation (cka Moonscoop)		
57	Freewheelin' Films, Ltd.		
58	Funimation Productions		
59	Gabriel Associates		
60	Global Response LLC		
61	Golden Films Finance Corporation IV		
62	Granada Media International (cka ITV Studios Global Entertainment Ltd.)		
63	Grandolph Juravic Entertainment		
64	GRB Entertainment		
65	Great Plains National Instructional Library (cka Smarterville, Inc.)		
66	GTSP Records		
67	Healthy TV, Inc.		
68	HLB Productions		
69	Home Enterprises		
70	Image Entertainment, Inc.		
71	Imagex Ltd.		
72	InCA Productions		
73	Integrity Global Marketing		
74	IWV Media Group, Inc.		
75	Jay Ward Productions, Inc.		
76	Kid Friendly Productions		
77	King Motion Picture Corporation		
78	Knight Enterprises		

**IPG-represented claimants
2000-2003 Cable Distribution proceedings (Phase II)**

79	Lacey Entertainment		
80	Les Distributions Rozon, Inc./Just for Laughs		
81	Production du Verseau aka Les Productions du Verseau		
82	Lifetime Entertainment Services dba Lifetime Television		
83	Link Television Entertainment		
84	Litton Syndications, Inc.		
85	Magus Entertainment		
86	Mainframe Entertainment (cka Rainmaker Entertainment)		
87	Mampre Media International		
88	Mansfield Television Distribution		
89	Mark Anthony Entertainment		
90	Martha Stewart Living Omnimedia, Inc.		
91	Marty Stouffer Productions		
92	Mentorn Barraclough Carey Productions, Ltd.		
93	Mentorn International Distribution, Ltd.		
94	Meredith Corporation		
95	Midwest Center for Stress & Anxiety, Inc.		
96	Minotaur International, Ltd.		
97	Multimedia Group of Canada		
98	Mustang Marketing, Inc.		
99	National Academy of Television Arts and Sciences		
100	Nelson Davis Productions		
101	New Dominion Pictures		
102	New Visions Syndication, Inc.		
103	NTS Program Sales		
104	Nu/Hart Hair Clinics, Inc.		
105	NVC Arts		
106	O. Atlas Enterprises, Inc. aka Atlas Enterprises		
107	Ontario Educational Communications Authority		
108	Pacific Family Entertainment		
109	Paradigm Pictures Corporation		
110	Passport International Productions		
111	Peter Rodgers Organization		
112	Planet Pictures		
113	PMT, Ltd.		
114	Promark Television, Inc.		
115	Psychic Readers Network		
116	Quartet International		
117	Questar, Inc. aka Questar Video		
118	Raycom Sports		
119	RCN Television S.A.		
120	Red Apple Entertainment (cka Frantic Films)		
121	Reel Funds International Inc. dba Reel Media International		
122	Ron Hazelton Productions, Inc.		
123	Sandra Carter Productions		
124	Sarrazin Couture Productions		
125	Scholastic Productions, Inc.		

**IPG-represented claimants
2000-2003 Cable Distribution proceedings (Phase II)**

126	Seen On TV, LLC dba As Seen On TV		
127	Showtime Networks Inc.		
128	Simply Fishing, Inc.		
129	Slim Goodbody Corporation		
130	Small World Productions		
131	St. Jude Children's Hospital		
132	Stilson & Stilson		
133	Sullivan Entertainment International		
134	TEAM Communications Group aka TEAM Entertainment Group		
135	Television Syndication Company (TVS)		
136	Tempur Pedic, Inc.		
137	TF1 International		
138	Thump Records, Inc.		
139	Tide Entertainment		
140	Timberwolf Productions		
141	Today's Homeowner		
142	TV Guide		
143	TV Matters		
144	Unapix Entertainment, Inc.		
145	United Negro College Fund		
146	United States Olympic Committee		
147	Uniworld Group		
148	Urban Latino TV LLC (cka American Latino)		
149	Venevision International		
150	Video Media Distribution, Inc.		
151	Video Professor, Inc.		
152	Video Tours, Inc.		
153	Vivavision fka Productions JBM Inc.		
154	Watercourse Road Productions LLC		
155	Whamo Entertainment		
156	Willie Wilson Productions		
157	World Events Productions Ltd.		
158	Worldwide Pants, Inc.		
159	Zebby's Zoo Production Inc.		

Before the
COPYRIGHT ROYALTY JUDGES
Washington, D.C.

In the Matters of)
)
Phase II Distribution of the 2004 to) Docket Nos. 2012-6 CRB SD 2004-2009
2009 Cable Royalty Funds)
_____) (Phase II)

**INDEPENDENT PRODUCERS GROUP'S SECOND AMENDED MORE
SPECIFIC STATEMENT OF 2004-2009 CABLE CLAIMS**

In accordance with the Copyright Royalty Board's "Amended Order Requiring More Specific Statement" dated November 1, 2013, Worldwide Subsidy Group LLC (a Texas limited liability company) dba Independent Producers Group ("IPG") hereby submits its Second Amended More Specific Statement of 2004-2009 Cable Claims in the above referenced proceeding. IPG's Excel Spreadsheet of claims is attached hereto.

Respectfully submitted,

Dated: November 8, 2013

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CERTIFICATE OF SERVICE

I hereby certify that on this 8th day of November, 2013, a copy of the foregoing **INDEPENDENT PRODUCERS GROUP'S SECOND AMENDED MORE SPECIFIC STATEMENT OF 2004-2009 CABLE CLAIMS** was sent by regular mail to the parties listed on the attached Service List.

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IPG Cable claims 2004-2009

Claimant	Claim Year	Claim Number	Claim Type	Phase I Category
1st Miracle Pictures	2004	607	W	1
1st Miracle Pictures	2005	602	W	1
1st Miracle Pictures	2006	563	W	1
1st Miracle Pictures	2007	302	W	1
1st Miracle Pictures	2008	607	W	1
1st Miracle Pictures	2009	520	W	1
3DD Entertainment Ltd.	2004	607	W	1
3DD Entertainment Ltd.	2005	602	W	1
3DD Entertainment Ltd.	2006	563	W	1
3DD Entertainment Ltd.	2007	302	W	1
3DD Entertainment Ltd.	2008	607	W	1
3DD Entertainment Ltd.	2009	520	W	1
A&E Television Network	2004	607	W	1
A&E Television Network	2005	602	W	1
Abrams Gentile Entertainment	2004	607	W	1
Abrams Gentile Entertainment	2005	602	W	1
Abrams Gentile Entertainment	2006	563	W	1
Abrams Gentile Entertainment	2007	302	W	1
Abrams Gentile Entertainment	2008	607	W	1
Abrams Gentile Entertainment	2009	520	W	1

IPG Cable claims 2004-2009

Farm Journal Electronic Media Company	2005	603	W	1
Farm Journal Electronic Media Company	2006	562	W	1
Farm Journal Electronic Media Company	2007	302	W	1
Farm Journal Electronic Media Company	2008	607	W	1
Farm Journal Electronic Media Company	2009	520	W	1
Fédération Internationale de Football Association	2004	607	W	2
Fédération Internationale de Football Association	2005	602	W	2
Fédération Internationale de Football Association	2006	563	W	2
Fédération Internationale de Football Association	2007	302	W	2
Fédération Internationale de Football Association	2008	607	W	2
Fédération Internationale de Football Association	2009	520	W	2
Feed the Children, Inc.	2004	608	W	1
Feed the Children, Inc.	2004	608	W	5
Feed the Children, Inc.	2005	603	W	1
Feed the Children, Inc.	2005	603	W	5
Feed the Children, Inc.	2006	562	W	1
Feed the Children, Inc.	2006	562	W	5
Feed the Children, Inc.	2007	302	W	1
Feed the Children, Inc.	2007	302	W	5
Feed the Children, Inc.	2008	607	W	1
Feed the Children, Inc.	2008	607	W	5
Feed the Children, Inc.	2009	520	W	1
Feed the Children, Inc.	2009	520	W	5
Filmline International 1999 Inc.	2004	607	W	1
Filmline International 1999 Inc.	2005	602	W	1
Filmline International 1999 Inc.	2006	563	W	1
Filmline International 1999 Inc.	2007	302	W	1
Filmline International 1999 Inc.	2008	607	W	1
Filmline International 1999 Inc.	2009	520	W	1
Films By Jove	2004	607	W	1
Films By Jove	2005	602	W	1

Before the
COPYRIGHT ROYALTY JUDGES

In the Matter of)	
Phase II Distribution of the 1999 to)	Docket Nos. 2012-7 CRB SD 2000-2009;
2009 Satellite Royalty Funds)	2008-8 CRB SD 1999-2000
)	(Phase II)

**INDEPENDENT PRODUCERS GROUP'S SECOND AMENDED MORE
SPECIFIC STATEMENT OF 1999-2009 SATELLITE CLAIMS**

In accordance with the Copyright Royalty Board's "Amended Order Requiring More Specific Statement" dated November 1, 2013, Worldwide Subsidy Group LLC (a Texas limited liability company) dba Independent Producers Group ("IPG") hereby submits its Second Amended More Specific Statement of 1999-2009 Satellite Claims in the above referenced proceeding. IPG's Excel Spreadsheet of claims is attached hereto.

Respectfully submitted,

Dated: November 8, 2013

_____/s/
Brian D. Boydston, Esq.
California State Bar No. 155614

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10786 Le Conte Ave.
Los Angeles, California 90024
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Email: brianb@ix.netcom.com

Attorneys for Independent Producers
Group

SDC-P-016

CERTIFICATE OF SERVICE

I hereby certify that on this 8th day of November, 2013, a copy of the foregoing **INDEPENDENT PRODUCERS GROUP'S SECOND AMENDED MORE SPECIFIC STATEMENT OF 1999-2009 SATELLITE CLAIMS** was sent by regular mail to the parties listed on the attached Service List.

_____/s/_____
Brian D. Boydston, Esq.

Settling Devotional Claimants:

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Matthew J. MacLean, Esq.
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Word of God fellowship d/b/a Daystar Television Network:

Gregory H. Guillot, Esq.
Gregory H. Guillt, P.C.
13455 Noel Road, #1000
Dallas, Texas 75240

IPG Satellite claims 1999-2009

Claimant	Claim Year	Claim Number	Claim Type	Phase I Category
1st Miracle Pictures	2000	225	W	1
1st Miracle Pictures	2001	213	W	1
1st Miracle Pictures	2002	246	W	1
1st Miracle Pictures	2003	268	W	1
1st Miracle Pictures	2004	327	W	1
1st Miracle Pictures	2005	340	W	1
1st Miracle Pictures	2006	317	W	1
1st Miracle Pictures	2007	89	W	1
1st Miracle Pictures	2008	193	W	1
1st Miracle Pictures	2009	195	W	1
3DD Entertainment Ltd.	2000	225	W	1
3DD Entertainment Ltd.	2001	213	W	1
3DD Entertainment Ltd.	2002	246	W	1
3DD Entertainment Ltd.	2003	268	W	1
3DD Entertainment Ltd.	2004	327	W	1
3DD Entertainment Ltd.	2005	340	W	1
3DD Entertainment Ltd.	2006	317	W	1
3DD Entertainment Ltd.	2007	89	W	1
3DD Entertainment Ltd.	2008	193	W	1

IPG Satellite claims 1999-2009

Farm Journal Electronic Media Company	2004	311	W	1
Farm Journal Electronic Media Company	2005	341	W	1
Farm Journal Electronic Media Company	2006	316	W	1
Farm Journal Electronic Media Company	2007	89	W	1
Farm Journal Electronic Media Company	2008	193	W	1
Farm Journal Electronic Media Company	2009	195	W	1
Fédération Internationale de Football Association	2000	225	W	2
Fédération Internationale de Football Association	2001	213	W	2
Fédération Internationale de Football Association	2002	246	W	2
Fédération Internationale de Football Association	2003	268	W	2
Fédération Internationale de Football Association	2004	327	W	2
Fédération Internationale de Football Association	2005	340	W	2
Fédération Internationale de Football Association	2006	317	W	2
Fédération Internationale de Football Association	2007	89	W	2
Fédération Internationale de Football Association	2008	193	W	2
Fédération Internationale de Football Association	2009	195	W	2
Feed the Children, Inc.	2000	206	W	1
Feed the Children, Inc.	2001	214	W	1
Feed the Children, Inc.	2002	245	W	1

IPG Satellite claims 1999-2009

Feed the Children, Inc.	2003	269	W	1
Feed the Children, Inc.	2004	311	W	1
Feed the Children, Inc.	2005	341	W	1
Feed the Children, Inc.	2006	316	W	1
Feed the Children, Inc.	2007	89	W	1
Feed the Children, Inc.	2008	193	W	1
Feed the Children, Inc.	2009	195	W	1
Feed the Children, Inc.	1999	164	W	5
Feed the Children, Inc.	2000	206	W	5
Feed the Children, Inc.	2001	214	W	5
Feed the Children, Inc.	2002	245	W	5
Feed the Children, Inc.	2003	269	W	5
Feed the Children, Inc.	2004	311	W	5
Feed the Children, Inc.	2005	341	W	5
Feed the Children, Inc.	2006	316	W	5
Feed the Children, Inc.	2007	89	W	5
Feed the Children, Inc.	2008	193	W	5
Feed the Children, Inc.	2009	195	W	5
Filmline International 1999 Inc.	2000	225	W	1
Filmline International 1999 Inc.	2001	213	W	1

Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See Specific Instructions.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22	Grants and allocations (attach schedule) ... Cash \$ 4,372,650 ^{non-} Cash \$	4,372,650.	4,372,650.		
23	Specific assistance to individuals (attach sch.)	298,168,229.	298,168,229.		
24	Benefits paid to or for members (attach sch.)				
25	Compensation of officers, directors, etc.	204,962.	98,382.	65,588.	40,992.
26	Other salaries and wages	4,415,410.	1,916,120.	1,151,537.	1,347,753.
27	Pension plan contributions				
28	Other employee benefits				
29	Payroll taxes				
30	Professional fundraising fees				
31	Accounting fees	63,741.		63,741.	
32	Legal fees	105,022.		105,022.	
33	Supplies	411,663.	201,715.	94,682.	115,266.
34	Telephone	84,613.	41,461.	19,461.	23,691.
35	Postage and shipping	27,960,698.	3,267,375.	449,493.	24,243,830.
36	Occupancy	245,643.	150,029.	43,120.	52,494.
37	Equipment rental and maintenance	278,559.	188,123.	40,785.	49,651.
38	Printing and publications	134,453.	65,882.	30,924.	37,647.
39	Travel	620,370.	382,605.	69,878.	167,887.
40	Conferences, conventions, and meetings				
41	Interest	363,454.		363,454.	
42	Depreciation, depletion, etc. (attach schedule)	1,113,547.	545,638.	256,116.	311,793.
43	Other expenses (itemize). <u> Stmt Att</u>	21,459,071.	1,233,104.	1,027,669.	19,198,298.
b					
c					
d					
e					
44	Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15.	360,002,085.	310,631,313.	3,781,470.	45,589,302.

Reporting of Joint Costs. Did you report in column (B) (Program services) any joint costs from a combined educational campaign and fundraising solicitation? Yes No

If "Yes," enter (i) the aggregate amount of these joint costs \$ _____; (ii) amt. allocated to Prog. services \$ _____; (iii) the amount allocated to Management and general \$ _____; and (iv) amt. allocated to Fundraising \$ _____

Part III Statement of Program Service Accomplishments (See Specific Instructions.)

What is the organization's primary exempt purpose? <u>Humanitarian Services</u>	Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts, but optional for others.)
a Food, Medical, and Child Care-Supplementing Basic needs of children and families with food, clothing, medical care, and medicine around the world. Equipping and Supplying food distribution centers. (Grants and allocations \$ _____)	135,029,087.
b Relief and Development-Responding to natural and man-made disasters with emergency relief services and supplies. Helping communities build and supply shelters, schools, hospitals, and churches. (Grants and allocations \$ _____)	100,669,976.
c Education-distribution of books and educational supplies to needy schools and children world-wide. (Grants and allocations \$ _____)	74,932,250.
d _____ (Grants and allocations \$ _____)	
e Other program services (attach schedule) (Grants and allocations \$ _____)	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)	310,631,313.

Part III Statements About Activities

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter total expenses paid or incurred in connection with the lobbying activities ▶ \$ _____ Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		X
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any of its trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary:		
a Sale, exchange, or leasing of property?		X
b Lending of money or other extension of credit?		X
c Furnishing of goods, services, or facilities?		X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)?	X	
e Transfer of any part of its income or assets? If the answer to any question is "Yes," attach a detailed statement explaining the transactions.		X
3 Does the organization make grants for scholarships, fellowships, student loans, etc.?		X
4a Do you have a section 403(b) annuity plan for your employees?	X	
b Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs qualify to receive payments. (See instructions.)		

*SEE 990
PART V*

Part IV Reason for Non-Private Foundation Status (See instructions.)

The organization is not a private foundation because it is. (Please check only ONE applicable box.)

- 5** A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6** A school. Section 170(b)(1)(A)(ii). (Also complete Part V, page 4.)
- 7** A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8** A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9** A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state ▶
- 10** An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a** An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b** A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12** An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions -- subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13** An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: (1) lines 5 through 12 above; or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

Provide the following information about the supported organizations. (See instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14** An organization organized and operated to test for public safety. Section 509(a)(4). (See instructions.)

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No. 1545-0047

2011

Open to Public
Inspection

Name of the organization

FEED THE CHILDREN, INC.

Employer identification number

73-6108657

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

**OKLAHOMA CITY, OKLAHOMA, THAT DELIVERS FOOD, MEDICINE, CLOTHING AND
OTHER NECESSITIES TO INDIVIDUALS, CHILDREN AND FAMILIES WHO LACK THESE
ESSENTIALS DUE TO FAMINE, WAR, POVERTY OR NATURAL DISASTERS. SINCE ITS
FOUNDING, THE ORGANIZATION HAS REACHED OUT TO HELP THOSE IN NEED IN THE
U.S. AND IN COUNTRIES AROUND THE GLOBE. FOR MORE INFORMATION, PLEASE
VISIT WWW.FEEDTHECHILDREN.ORG.**

FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS:

**THROUGH SCHOOL AND COMMUNITY-BASED FEEDING PROGRAMS. ADDITIONALLY, IN
THE PAST YEAR ALONE, FEED THE CHILDREN WAS ABLE TO PROVIDE MILLIONS OF
CHILDREN WITH DE-WORMING MEDICATIONS AND TREAT THOUSANDS OF PATIENTS IN
ITS MEDICAL CLINICS**

FORM 990, PART III, LINE 4C, PROGRAM SERVICE ACCOMPLISHMENTS:

**INTERNATIONALLY, FEED THE CHILDREN IMPLEMENTS COMMUNITY DEVELOPMENT
INITIATIVES, SUCH AS CLEAN WATER AND SANITATION PRACTICES THROUGHOUT
ITS COMMUNITIES, FACILITATING POINT-OF-USE PURIFICATION OF UNCLEAN
WATER AND PROVIDING TECHNICAL EXPERTISE TO CONSTRUCT LATRINES AND TO
INSTALL COMMUNITY WELLS. OTHER DEVELOPMENT AND LIVELIHOOD INITIATIVES
INCLUDE PROJECTS IN AGRICULTURE, AQUACULTURE, BAKERIES, WOODWORKING,
ANIMAL HUSBANDRY, BEE KEEPING, ETC.**

FORM 990, PART V, LINE 4B, LIST OF FOREIGN COUNTRIES:

**NICARAGUA, KENYA, MALAWI, HONG KONG,
GUATEMALA, UNITED KINGDOM, TANZANIA, HONDURAS,**

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Schedule O (Form 990 or 990-EZ) (2011)

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No. 1545-0047

2011

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

Name of the organization **FEED THE CHILDREN, INC.** Employer identification number **73-6108657**

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1 A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
- 2 A school described in section 170(b)(1)(A)(ii). (Attach Schedule E.)
- 3 A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii).
- 4 A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state: _____
- 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II.)
- 6 A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
- 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 8 A community trust described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 9 An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Complete Part III.)
- 10 An organization organized and operated exclusively to test for public safety. See section 509(a)(4).
- 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h.
 - a Type I
 - b Type II
 - c Type III - Functionally integrated
 - d Type III - Other
- e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? 11g(i)		
(ii) A family member of a person described in (i) above? 11g(ii)		
(iii) A 35% controlled entity of a person described in (i) or (ii) above? 11g(iii)		
- h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
Total									

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ. Schedule A (Form 990 or 990-EZ) 2011



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Word Mark FEED THE CHILDREN
Goods and Services IC 036. US 100 101 102. G & S: charitable fundraising. FIRST USE: 19811000. FIRST USE IN COMMERCE: 19811000
 IC 042. US 100 101. G & S: charitable services, namely, providing food, clothing, toys, educational materials and supplies, hygiene products, and medicines to children and others in need. FIRST USE: 19811000. FIRST USE IN COMMERCE: 19811000
Mark Drawing Code (3) DESIGN PLUS WORDS, LETTERS, AND/OR NUMBERS
Design Search Code 26.11.02 - Plain single line rectangles; Rectangles (single line)
 26.11.20 - Rectangles inside one another
 26.17.13 - Letters or words underlined and/or overlined by one or more strokes or lines; Overlined words or letters; Underlined words or letters
Serial Number 75343342
Filing Date August 19, 1997
Current Basis 1A
Original Filing Basis 1A
Published for Opposition December 23, 1997
Registration Number 2144790
Registration Date March 17, 1998

SDC-P-018

Owner (REGISTRANT) Larry Jones International Ministries, Inc. DBA Feed The Children CORPORATION
 OKLAHOMA P.O. Box 36333 N MERIDIAN AVE Oklahoma City OKLAHOMA 73101

(LAST LISTED OWNER) FEED THE CHILDREN, INC. CORPORATION OKLAHOMA 333 N.
 MERIDIAN AVENUE OKLAHOMA CITY OKLAHOMA 73107

Assignment Recorded ASSIGNMENT RECORDED

Attorney of Record Julianna P. Deligans

Disclaimer NO CLAIM IS MADE TO THE EXCLUSIVE RIGHT TO USE "FEED THE CHILDREN" APART FROM THE MARK AS SHOWN

Type of Mark SERVICE MARK

Register PRINCIPAL

Affidavit Text SECT 15. SECT 8 (6-YR). SECTION 8(10-YR) 20080409.

Renewal 1ST RENEWAL 20080409

Live/Dead Indicator LIVE

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FEED THE CHILDREN

Word Mark FEED THE CHILDREN
Goods and Services IC 036. US 100 101 102. G & S: charitable fundraising. FIRST USE: 19811000. FIRST USE IN COMMERCE: 19811000
 IC 042. US 100 101. G & S: medical services and charitable services, namely, providing food, clothing, educational materials and supplies, hygiene items, and medicines to children and to others in need, both nationally and internationally. FIRST USE: 19811000. FIRST USE IN COMMERCE: 19811000
Mark Drawing Code (5) WORDS, LETTERS, AND/OR NUMBERS IN STYLIZED FORM
Serial Number 75218200
Filing Date December 24, 1996
Current Basis 1A
Original Filing Basis 1A
Published for Opposition November 4, 1997
Registration Number 2132295
Registration Date January 27, 1998
Owner (REGISTRANT) Larry Jones International Ministries, Inc. DBA Feed The Children CORPORATION OKLAHOMA P.O. Box 36 333 N MERIDIAN AVE Oklahoma City OKLAHOMA 73101
 (LAST LISTED OWNER) FEED THE CHILDREN, INC. CORPORATION OKLAHOMA 333 N.

MERIDIAN AVENUE OKLAHOMA CITY OKLAHOMA 73107

Assignment Recorded ASSIGNMENT RECORDED
Attorney of Record Julianna P. Deligans
Type of Mark SERVICE MARK
Register PRINCIPAL-2(F)
Affidavit Text SECT 15. SECT 8 (6-YR). SECTION 8(10-YR) 20080409.
Renewal 1ST RENEWAL 20080409
Live/Dead Indicator LIVE

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TSDR **ASSIGN Status** **TTAB Status** (Use the "Back" button of the Internet Browser to return to TESS)

FEED THE CHILDREN

Word Mark **FEED THE CHILDREN**
Goods and Services IC 036. US 100 101 102. G & S: Charitable fundraising. FIRST USE: 19980908. FIRST USE IN COMMERCE: 19980908
 IC 041. US 100 101 107. G & S: Charitable services, namely, providing arts and crafts and educational materials in the nature of books, book covers, writing utensils, pencil sharpeners, erasers, glue, rulers, scissors, paper, binders, folders, notebooks, and educational activity books to underprivileged children. FIRST USE: 19980908. FIRST USE IN COMMERCE: 19980908
 IC 043. US 100 101. G & S: Charitable services, namely, providing food to needy persons. FIRST USE: 19980908. FIRST USE IN COMMERCE: 19980908
 IC 044. US 100 101. G & S: Charitable services, namely, providing personal hygiene products and medicine to needy persons. FIRST USE: 19980908. FIRST USE IN COMMERCE: 19980908

Standard Characters Claimed
Mark Drawing Code (4) STANDARD CHARACTER MARK
Serial Number 85231294
Filing Date February 1, 2011
Current Basis 1A
Original Filing Basis 1A

Published for Opposition January 10, 2012
Registration Number 4117127
Registration Date March 27, 2012
Owner (REGISTRANT) FEED THE CHILDREN, INC. CORPORATION OKLAHOMA 333 N. Meridian Ave. Oklahoma City OKLAHOMA 73107
Attorney of Record Julianna P. Deligans
Prior Registrations 2132295;2144790
Type of Mark SERVICE MARK
Register PRINCIPAL-2(F)
Live/Dead Indicator LIVE

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Word Mark
Goods and Services

FEED THE CHILDREN
 IC 036. US 100 101 102. G & S: Charitable fundraising. FIRST USE: 19980101. FIRST USE IN COMMERCE: 19980101
 IC 041. US 100 101 107. G & S: Charitable services, namely, providing arts and crafts and educational materials in the nature of books, book covers, writing utensils, pencil sharpeners, erasers, glue, rulers, scissors, paper, binders, folders, notebooks, and educational activity books to underprivileged children. FIRST USE: 19980101. FIRST USE IN COMMERCE: 19980101
 IC 043. US 100 101. G & S: Charitable services, namely, providing food to needy persons. FIRST USE: 19980101. FIRST USE IN COMMERCE: 19980101
 IC 044. US 100 101. G & S: Charitable services, namely, providing personal hygiene products and medicine to needy persons. FIRST USE: 19980101. FIRST USE IN COMMERCE: 19980101

Mark Drawing Code
Design Search Code

(3) DESIGN PLUS WORDS, LETTERS, AND/OR NUMBERS
 02.01.02 - Men depicted as shadows or silhouettes of men; Silhouettes of men
 02.09.06 - Carrying items, humans; Humans, including men, women and children, depicted toting items, such as buckets or bags; Toting items, humans
 11.03.06 - Bowl (empty); Soup bowls, empty; Sugar bowls, empty
 26.11.20 - Rectangles inside one another
 26.17.01 - Bands, straight; Bars, straight; Lines, straight; Straight line(s), band(s) or bar(s)
 26.17.05 - Bands, horizontal; Bars, horizontal; Horizontal line(s), band(s) or bar(s); Lines, horizontal

Serial Number
Filing Date

85264329
 March 11, 2011

Current Basis 1A
Original Filing Basis 1A
Published for Opposition January 24, 2012
Registration Number 4124300
Registration Date April 10, 2012
Owner (REGISTRANT) FEED THE CHILDREN, INC. CORPORATION OKLAHOMA 333 N. Meridian Ave. Oklahoma City OKLAHOMA 73107
Attorney of Record Julianna P. Deligans
Prior Registrations 2132295;2144790;2410884
Description of Mark Color is not claimed as a feature of the mark. The mark consists of the silhouette of a man holding a bowl upward next to a rectangular box with the words "FEED THE CHILDREN" in capital letters, with the "F" in "FEED" and the "C" in "CHILDREN" in slightly larger font, and a straight horizontal line above "FEED THE" and straight horizontal line below "CHILDREN".
Type of Mark SERVICE MARK
Register PRINCIPAL-2(F)-IN PART
Live/Dead Indicator LIVE
Distinctiveness
Limitation as to "FEED THE CHILDREN"
Statement

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CONFIDENTIAL

SETTLEMENT AGREEMENT - PART 1

This Settlement Agreement-Part 1 is made as of this 31st day of March 2004 by and among Worldwide Subsidy Group, doing business as Independent Producers Group (hereinafter "IPG"), the Motion Picture Association of America, Inc. (hereinafter "MPAA").

WHEREAS, IPG and MPAA are parties to appellate proceedings consolidated before the United States Court of Appeals for the District of Columbia Circuit, Case No. 02-1033 and Case No. 02-1040; and

WHEREAS, these parties intend to settle their differences regarding these appellate proceedings solely in order to avoid the costs, direct and indirect, that would be incurred by each of the parties in the future and the uncertainties of the current and anticipated litigation;

NOW THEREFORE, in consideration of the foregoing and of the mutual agreements hereinafter contained and other good and valuable consideration, the sufficiency and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Scope of Settlement. This Agreement settles all Phase II issues, known and unknown, between IPG and MPAA for the 1997, 1998 and 1999 Cable Royalty Funds, and the 1997, 1998 and 1999 Satellite Royalty Funds.
2. Royalty Payment: IPG shall receive payments as follows:

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REDACTED

a. Current payment: IPG shall receive the amount of \$ _____ as payment in full for its Phase II share of royalties distributed to the Program Suppliers category from the 1997 Cable Royalty Fund for all of the programs belonging to Litton Syndications, Inc. and certain IPG costs and expenses at execution of this Agreement.

b. Future payments: IPG's royalties for pending 1997 Satellite and all 1998 and 1999 claims shall be calculated using the same methodology, and shall be paid in the same time frame, as MPAA-represented claimants.

c. Transmittal of payments: All payments to IPG shall be made through IPG counsel, Jeffrey Bogert Trust Account.

3. Documentation: The documentation submitted by IPG for 1997 Satellite and all 1998 and 1999 claims shall demonstrate with sufficient particularity that:

a. A valid and timely claim for royalties was properly filed with the Copyright Office; and

b. IPG has a valid representation agreement with the claimant and the claimant is entitled to participate in royalties to be distributed.

4. Initial determination: Within 30 days of the execution of this Agreement, IPG shall notify MPAA of its 1997 Satellite claims and its 1998 and 1999 Cable and Satellite claims and shall deliver the documentation with

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respect to those claims. Within 30 days of the receipt of IPG's notice, MPAA shall either notify IPG in writing that it accepts or rejects some or all of IPG's 1997 Satellite and 1998 and 1999 Cable and Satellite claims or notify IPG in writing of any deficiencies concerning such documentation (including specific particulars in which supplementation is sought). Upon receipt of MPAA's initial determination, IPG shall, within 30 days, notify MPAA of its election to accept or reject MPAA's determination or to supplement its documentation to MPAA.

a. Acceptance: If IPG accepts MPAA's initial determination, MPAA shall pay IPG on the same basis and in the same time-frame as it makes any payment after the date of this Agreement to other MPAA-represented claimants for 1997 Satellite and 1998 and 1999 Cable and Satellite claims. If MPAA has made all payments to all other MPAA-represented claimants for a year in a particular claim category, IPG shall be paid its claims for the year within that category within 30 days.

b. Supplementation: If IPG elects to supplement its documentation, it shall re-submit its documentation or parts of its documentation to MPAA within 30 days of its notice of election to MPAA, and the provisions of this paragraph 4 shall be followed with respect to the re-submitted documentation.

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c. Rejection: If IPG rejects MPAA's initial determination, IPG may proceed as provided in paragraph 5 below.

5. Arbitration: Disputes shall be resolved solely through binding arbitration.

a. An arbitrator shall be agreed upon by the parties with the execution of this Agreement. If the parties cannot agree, the arbitrator shall be named by the American Arbitration Association ("AAA").

b. The arbitration shall be conducted in accordance with the Expedited Procedures of the Commercial Arbitration Rules and Mediation Procedures of the American Arbitration Association, except as provided in this Agreement, and shall be completed within 30 days after one of the parties notifies the arbitrator that it is ready to proceed.

c. The venue for the arbitration shall be set by the arbitrator or shall be Washington, D.C.

d. The hearing for the arbitration shall be conducted solely by telephone conference call with the parties and the arbitrator, after submission of documents, and not by personal appearance, unless the parties agree otherwise.

e. Any arbitration shall be conducted confidentially and shall not be disclosed or relied upon in any other proceeding, except a subsequent arbitration under this Agreement.

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Page 6

CONFIDENTIAL

f. In the event that MPAA receives conflicting claims for royalties for a particular title, MPAA shall notify IPG of the conflicting claim, provide available documentation, and proceed with the arbitration. In the event IPG is determined to be the valid claimant entitled to royalty, (i) if the royalty was paid by MPAA to another party prior to receiving IPG's claim under this Agreement, IPG shall seek its royalty from the party who has been paid and not from MPAA; and (ii) if the royalty has not yet been paid by MPAA, MPAA shall continue to hold the royalty until the conflict with the other party is resolved by settlement or a final determination of rights by a court of competent jurisdiction.

6. Confidentiality: This Agreement and its terms shall be kept confidential and not disclosed to any person or entity except (a) as may be required by law; (b) as necessary to resolve disputes in accordance with paragraph 5; (c) to the parties' employees, accountants, attorneys, or auditors who have a need to know for purposes of administering the distribution of royalty funds; (d) as necessary to respond to inquiries from rights holders (including IPG) regarding the status and payment of the rights holder's claims; or (e) with the written consent of the parties.
7. No precedent: No party shall be deemed to have accepted as precedent for future proceedings before any Copyright Arbitration Royalty Panel or approved, accepted, or agreed to or consented to any principle underlying (or which may be asserted to underlie) this Agreement, and the Librarian

Exhibit A
Page 7

CONFIDENTIAL

of Congress has issued, concurrent with this Agreement, the statement attached as Appendix A to Settlement Agreement-Part 2.

8. No participation: Raul Galaz shall not participate, directly or indirectly, in any distribution of proceeds under this Agreement. In the event such distribution occurs, in any amount, the entire amount of the proceeds paid by MPAA to IPG shall be forfeited by IPG and repaid to MPAA within 30 days.

9. Notices: Notices shall be deemed to have been delivered when delivered by hand, by delivery service, or mailed by certified or registered mail postage prepaid, addressed as follows:
 - a. To IPG: c/o Jeffrey Bogert, 815 Moraga Drive, Los Angeles, CA 90049-1676

 - b. To MPAA: c/o Michael E. Tucci and Gregory O. Olaniran, Stinson Morrison Hecker LLP, 1150 18th Street N.W., Suite 800, Washington, D.C. 20036-3816

10. General Provisions:
 - a. By signing this Agreement, each party represents and warrants that it has received all consents, power and authority required to execute the Agreement and that this Agreement is enforceable against it in accordance with its terms, and counsel for each party has delivered the letter attached as Appendix A.

CONFIDENTIAL

- b. This Agreement and any rights and obligations hereunder shall not be assignable by any of the parties hereto.
- c. This Agreement and the Appendix hereto contain the entire agreement among the parties with respect to the 1997, 1998 and 1999 Cable Royalty Funds and the 1997, 1998 and 1999 Satellite Royalty Funds and supersedes all previous negotiations, commitments, writings, and proceedings.
- d. This Agreement shall be governed by the laws of the District of Columbia.
- e. This Agreement may be executed in one or more counterparts which, taken together, shall constitute the whole agreement.
- f. This Agreement shall take effect only upon execution by the parties of the Settlement Agreement-Part 2 which includes provisions with respect to IPG, MPAA, and the Librarian of Congress.

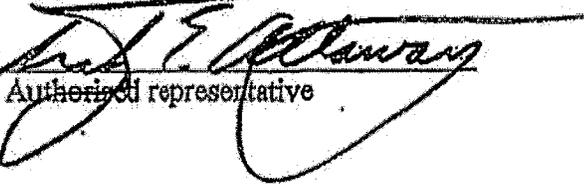
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IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective duly authorized representatives.

INDEPENDENT PRODUCERS GROUP

By 
Authorized representative

MOTION PICTURE ASSOCIATION OF AMERICA

By 
Authorized representative

LAW OFFICES OF
JEFFREY C. BOGERT
815 Moraga Drive
LOS ANGELES, CALIFORNIA 90049-1676
Facsimile: (310) 476-2135
e-mail: jcb@lawf@aol.com

Jeffrey C. Bogert, Esq.

(310) 476-4625

March 31, 2004

Ann M. Murphy, Esq.
U.S. Department of Justice
Civil Division, Appellate
601 D Street N.W., Suite 800
Washington, D.C. 20530-0001

Michael E. Tuoci, Esq.
Stinson Morrison Hecker LLP
1150 18th Street, NW
Suite 800
Washington, DC 20036-3816

ATTACHMENT A TO SETTLEMENT AGREEMENT

Dear Ms. Murphy and Mr. Tuoci:

I am a member of the state Bar of California and further appear before the Bar of the District Court of Appeals in the District of Columbia. I have acted as counsel to Independent Producers Group ("IPG") in connection with the Settlement Agreement-Part 1 between Worldwide Subsidy Group, doing business as Independent Producers Group, and the Motion Picture Association of America, Inc. and the Settlement Agreement-Part 2 among Worldwide Subsidy Group, the Motion Picture Association of America, Inc., and the Librarian of Congress.

IPG is validly existing and in good standing under the laws of the state of Texas.

The execution, delivery, and performance of the Settlement Agreement-Part 1 and the Settlement Agreement-Part 2 have been duly authorized by all requisite corporate action and are legal, valid, and binding obligations.

This letter is being delivered to you pursuant to the requirements of the Settlement Agreement and is solely for your benefit, and may not be relied upon by any third party without prior written consent.

Respectfully,

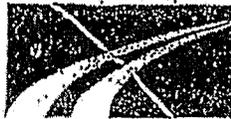

Jeffrey C. Bogert

Exhibit A

Page 11

cc: Deanne Siemer, Esq.

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STINSON
MORRISON
HECKER LLP

Michael B. Tucoi
mtucoi@stinsonmohckeck.com
www.stinsonmohckeck.com

1150 18th Street N.W., Suite 800
Washington, D.C. 20036-3816

Tel (202) 785-9100
Fax (202) 785-9163

April 1, 2004

Jeffrey C. Bogert, Esq.
Law Offices of Jeffrey C. Bogert
815 Moraga Drive
Los Angeles, CA 90049-1676

Anne Murphy, Esq.
Attorney, Appellate Staff, Civil Division
Department of Justice
601 "D" Street, N.W.
Washington, D.C. 20530-0001

ATTACHMENT A TO SETTLEMENT AGREEMENT

Dear Mr. Bogert and Ms. Murphy:

I am a member of the bars of the District of Columbia, Tennessee and Virginia and have acted as counsel to the Motion Picture Association of America, Inc. in connection with the Settlement Agreement-Part 1 between Worldwide Subsidy Group, doing business as Independent Producers Group, and the Motion Picture Association of America, Inc. and the Settlement Agreement-Part 2 among Worldwide Subsidy Group, the Motion Picture Association of America, Inc., and the Librarian of Congress.

Motion Picture Association of America, Inc. is validly existing and in good standing under the laws of New York.

The execution, delivery, and performance of the Settlement Agreement-Part 1 and the Settlement Agreement-Part 2 have been duly authorized by all requisite corporate action and are legal, valid, and binding obligations.

This letter is being delivered to you pursuant to the requirements of the Settlement Agreement and is solely for your benefit, and may not be relied upon by any third party without prior written consent.

KANSAS CITY
OVERLAND PARK
WICHITA
WASHINGTON, D.C.
PHOENIX
ST. LOUIS
OMAHA
JEFFERSON CITY

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Page 12

Jeffrey C. Bogert, Esq.
Arne Murphy, Esq.
April 1, 2004
Page 2

Best regards,

STINSON MORRISON HECKER LLP



Michael E. Tucci

MBT:cls

WDCDOCS 136550v1

SETTLEMENT AGREEMENT – PART 2

This Settlement Agreement-Part 2 is made as of this 31st day of March 2004 by and among Worldwide Subsidy Group, doing business as Independent Producers Group (hereinafter "IPG"), the Motion Picture Association of America, Inc. (hereinafter "MPAA"), and the Librarian of Congress.

WHEREAS, IPG, MPAA, and the Librarian of Congress are parties to appellate proceedings consolidated before the United States Court of Appeals for the District of Columbia Circuit, Case No. 02-1035 and Case No. 02-1040; and

WHEREAS, these parties intend to settle their differences regarding these appellate proceedings solely in order to avoid the costs, direct and indirect, that would be incurred by each of the parties in the future and the uncertainties of the current and anticipated litigation;

NOW THEREFORE, in consideration of the foregoing and of the mutual agreements hereinafter contained and other good and valuable consideration, the sufficiency and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Scope of Settlement. This Agreement settles all issues between and among the parties raised in the appellate proceeding.
2. Withdrawal of Notice of Intent. IPG agrees to withdraw its notice(s) of intent to participate in the proceeding to distribute the 1997, 1998 and 1999 Cable Royalty Funds and the 1997, 1998 and 1999 Satellite Royalty Funds.

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- 3. Dismissal of the appeal: The parties shall promptly move to dismiss the appeal in Case No. 02-1035 and Case No. 02-1040.
- 4. Record: The Librarian of Congress shall issue, subsequent to the dismissal of the appeals in Case No. 02-1035 and Case No. 02-1040; the Order attached as Appendix A.
- 5. General Provisions:
 - a. This Agreement and any rights and obligations hereunder shall not be assignable by any of the parties hereto.
 - b. This Agreement and the Appendix hereto contain the entire agreement to which the Librarian of Congress is a party.
 - c. This Agreement shall be governed by the laws of the District of Columbia.
 - d. This Agreement may be executed in one or more counterparts which, taken together, shall constitute the whole agreement.

This Agreement shall not come into effect separately from the Settlement Agreement- Part 1 which includes provisions with respect to IPG and MPAA.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective duly authorized representatives.

INDEPENDENT PRODUCERS GROUP
By 
Authorized representative

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MOTION PICTURE ASSOCIATION OF AMERICA

By *Paul J. Conway*
Authorized representative

THE LIBRARIAN OF CONGRESS

By *Anna Murphy*
Authorized representative

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APPENDIX A

In the Matter of	}	
	}	
Distribution of the 1993, 1994, 1995, 1996 and 1997 Cable Royalty Funds	}	Docket No. 2000-2 CARP CD 93-97

RECOMMENDATION AND ORDER

On December 26, 2001, the Librarian published an Order announcing the Librarian of Congress's decision to reject the initial and revised reports of the Copyright Arbitration Royalty Panel ("CARP") in this Phase II proceeding in the syndicated programming category for distribution of the 1997 cable royalty funds. The Order identified a number of flaws in the cases presented by both IPG and MPAA and in the determination made by the Copyright Arbitration Royalty Panel ("CARP"), and concluded that a distribution of royalties could not be made based on the current record. Accordingly, the Librarian remanded the matter for a new proceeding before a new CARP. Order, 66 FR 66433 (Dec. 26, 2001).

Both parties, Independent Producers Group ("IPG") and The Motion Picture Association of America, Inc. ("MPAA") petitioned the United States Court of Appeals for the District of Columbia Circuit to review the Librarian's determination. Motion Picture Association of America v. Librarian of Congress, No. 02-1033; Independent Producers Group v. Librarian of Congress, 02-1040.

The parties have now settled this dispute, making a remand for new proceedings unnecessary and making it possible to distribute the remaining funds that were in dispute. As part of the settlement, it has been agreed that the December 26, 2001 Order shall be vacated.

Because the parties have settled their dispute, and therefore there is no reason to remand the matter for further proceedings before a new CARP, the Register recommends that the December 26, 2001 Order be vacated as moot. Further, in light of the flaws in the determination made by the CARP as identified in the December 26, 2001 Order, the CARP's initial and final determinations should also be vacated, to make clear that those determinations have no precedential value. The recommendation that the December 26, 2001 Order be vacated is made in order to facilitate the settlement and because the matter is now moot; this recommendation should not be construed as a repudiation of the reasoning in the December 26, 2001 Recommendation and Order.

Order of the Librarian

Having duly considered the recommendation of the Register of Copyrights the Librarian accepts the recommendation in its entirety and orders that the December 26,

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2001 Order, the April 16, 2001 initial Report of the CARP, and the June 20, 2001 revised Report of the CARP are hereby VACATED as moot.

Dated: _____, 2004

Marybeth Peters
Register of Copyrights

Approved by:

James H. Billington
Librarian of Congress

DATE START
AND RETURN

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MAY 13 2004

COPYRIGHT OFFICE
PUBLIC OFFICE

Before the

UNITED STATES COPYRIGHT OFFICE
LIBRARY OF CONGRESS

In the Matter of Claims to 1999 Cable Retransmission Royalties)	Docket No. 2001-8 CARP CD 98-99
In the Matter of Claims to 1999 Satellite Retransmission Royalties)	Docket No. 2001-5 CARP SD 99

AMENDMENT

Pursuant to 37 C.F.R. §251.44, IT IS WRITTEN, Inc. hereby tenders an amendment to the original retransmission royalty claims filed in Copyright Office Docket Nos. 2001-8, CARP CD 98-99, and 2001-5, CARP SD 99.

The purpose of this amendment is to provide the correct name of the copyright owner for the television programming entitled, "IT IS WRITTEN" ("Program"). The ministry of the same name, IT IS WRITTEN, Inc., holds the copyright to the Program.

On July 31, 2000, cable and satellite retransmission royalty claims were filed by Raul Galaz, President of Independent Producers Group on behalf of "Adventist Media Center Productions" for television programming year 1999. "Adventist Media Center Productions" does not exist, and therefore cannot own the copyright in the Program. Copies of the original claims filed in July 2000 are attached. See Cable Claim No. 433, filed July 31, 2000, Docket No. 2001-8, CARP CD 98-99; Satellite Claim No. 164, filed July 31, 2000, Docket No. 2001-5, SD 99.

Adventist Media Productions ("AMP"), a legitimate entity in California, is the primary electronic media production unit of the Seventh-day Adventist Church in North America. AMP has the responsibility of producing radio and television programming for five different ministries of the Seventh Day Adventist Church, including IT IS WRITTEN, Voice Of Prophecy, Breath of Life, Faith For Today and La Voz de la Esperanza. AMP also produces programming for Adventist Communication Network and Adventist Television Network. AMP has never owned the copyright to, and has never had the authority to claim the rights in the Program.

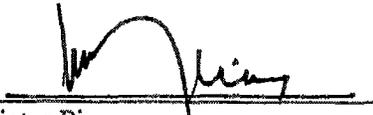
Attached is an affidavit signed by Warren D. Judd, Chief Executive Officer of AMP, who asserts that IT IS WRITTEN is the sole copyright holder the Program.

IT IS WRITTEN ~~never~~ authorized Mr. Galaz or Independent Producers Group to file retransmission royalty claims on it behalf. However, since the retransmission royalty claims were tendered, the ministry asserts its right to receive the royalties to which it is entitled by (i)

substituting itself as the claimant in place of Independent Producers Group and "Adventist Media Center Productions" for the Program.

Independent Producers Group has not responded to our requests to amend or release the claims since December 2002. Based on the fact that Phase II of the 1999 cable royalty distributions are to commence among the devotional claimants, we felt it necessary to bring this matter to the attention of the Copyright Office.

By:


Victor Pires . . .
Manager-Treasurer
IT IS WRITTEN
101 West Cochran Street
Simi Valley, CA 93065
Tel: (805) 955-7757
Email: vpires@iiw.org

May 13, 2004

AFFIDAVIT

I, Warren D. Judd, swear under penalty of perjury to the following facts:

1. I am the Chief Executive Officer of Adventist Media Productions.
2. "Adventist Media Center Productions" has never, and does not exist.
3. The Mandate Agreement dated July 27, 2000 by and between "Adventist Media Center Productions" and Independent Producers Group was never executed by any individual from Independent Producers Group.
4. Neither "Adventist Media Center Productions" nor Adventist Media Productions has held, holds, or has any intention of holding the copyright in the television program, "IT IS WRITTEN."
5. To the best of my information and belief, the ministry, "IT IS WRITTEN" owns all copyrights in its television show, "IT IS WRITTEN."

By:


Warren D. Judd

Date: March 9, 2004

CERTIFICATE OF SERVICE

I, Victor Pires, certify that I have caused copies of the foregoing amendment, related to Docket Nos. 2001-6 CARP CD 1999, and 2001-5, CARP SD 99, to be sent via first-class mail, this 13th day of May, 2004, to the following:

Susan N. Grimes
CARP Specialist
U.S. Copyright Office
Library of Congress
P.O. Box 70977
Southwest Station
Washington, D.C. 20024

George R. Grange, II, Esq.
Gammon & Grange, P.C.
8280 Greensboro Drive
Seventh Floor
McLean, VA 22102-3807
Counsel for Coral Ridge Ministries Media, Inc.
& Oral Roberts Evangelistic Association

Frank Koszorus, Esq.
Collier Shannon Scott PLLC
3050 K Street, N.W., Suite 400
Washington, D.C. 20007

Marian Oshita
Worldwide Subsidy Group
9903 Santa Monica Boulevard, #655
Beverly Hills, California 90212

John H. Midlen, Jr., Esq.
Midlen Law Center
7618 Lynn Drive
Chevy Chase, Maryland 20815-6043
Counsel for Liberty Broadcasting Network

Clifford M. Harrington, Esq.
Barry H. Gottfried, Esq.
Shaw Pittman LLP
2300 N Street, N.W.
Washington, D.C. 20037
Counsel for The Christian Broadcasting
Network, Inc.

Arnold P. Lutzker, Esq.
Lutzker, Lutzker & Settlemeyer LLP
1000 Vermont Avenue, N.W.
Suite 450
Washington, D.C. 20005
Counsel for Crystal Cathedral Ministries, Inc.

By:



Victor Pires, Manager-Treasurer
IT IS WRITTEN

Public Catalog

Copyright Catalog (1978 to present)

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- Search terms are not case sensitive.
- Search limits can be used with all "Search by:" options.

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<u>Title</u>	- Omit initial articles (A, An, The, El, La, Das): King and I - Type the entire title, or the first few words of the title, starting with the first word
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<u>Keyword</u>	- Searches word(s) anywhere in the record - Retrieves records with at least one of your search words - Use + before words that must appear in every record retrieved - Use ! before words that must not appear in any record retrieved - Use ? for truncation: photo? finds photograph, photographic, photographer

SDC-P-021

	- Use "" to surround exact phrases: "war of the worlds"
<u>Registration Number</u>	- Omit spaces and hyphens - Registration numbers must be 12 characters long. Type 2 letters followed by 10 digits, or 3 letters followed by 9 digits; add zeroes before the number: VAu-598-764 is typed VAU000598764 , SR-320-918 is typed SR0000320918
<u>Document Number</u>	- Omit spaces and hyphens - The number after the "v" is always 4 digits; the number after the "p" or "d" is always 3 digits - V2606 P87 is typed V2606P087
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United States Copyright Office

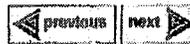
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Public Catalog

Copyright Catalog (1978 to present)

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Search Results: Displaying 1 through 23 of 23 entries.



Resort results by: Date (ascending) v

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#	Name (NALL) <	Full Title	Copyright Number	Date
<input type="checkbox"/> [1]	Faith for Today, Inc.	John Hus / a production of Faith for Today ; produced by Roy Naden ; directed by Michael Economou.	PA0000057576	1977
<input type="checkbox"/> [2]	Faith for Today, Inc.	Westbrook Hospital : [episode title]--Breaking point / produced by Gary Haynes ; directed by Ric Eisman.	PA0000060836	1977
<input type="checkbox"/> [3]	Faith for Today, Inc.	Westbrook Hospital : [episode title]--Catch a tiger / produced by Gary Haynes ; directed by Eric Edson.	PA0000060838	1977
<input type="checkbox"/> [4]	Faith for Today, Inc.	Westbrook Hospital : [episode title]--Dollar dilemma / produced by Gary Haynes ; directed by Bruce Baker.	PA0000060832	1977
<input type="checkbox"/> [5]	Faith for Today, Inc.	Westbrook Hospital : [episode title]--Hear the sunrise / executive producer, James Hannum.	PA0000060839	1977
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<input type="checkbox"/> [11]	Faith for Today, Inc.	Westbrook Hospital : [episode title]--Rafael is running / produced by Gary Haynes ; written and directed by Richard Evans.	PA0000060813	1978
<input type="checkbox"/> [12]	Faith for Today, Inc.	Westbrook Hospital : [episode title]--Who shall live? / Produced by Gary Haynes ; directed by Lilvan Chauvin.	PA0000058742	1978
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<input type="checkbox"/> [15]	Faith for Today, Inc.	Westbrook Hospital : [episode title]--Lillian's secret / produced by Gary Haynes ; directed by Gordon Duffey.	PA0000058741	1978
<input type="checkbox"/> [16]	Faith for Today, Inc.	Westbrook Hospital : no. 904. Silent skater / produced and distributed by Faith for Today ; produced by Gary Haynes ; directed by Gordon Duffey.	PA0000077447	1979
<input type="checkbox"/> [17]	Faith for Today, Inc.	Westbrook Hospital : no. 922. Joe's boy / produced and distributed by Faith for Today ; produced by Gary Haynes ; directed by Ken Wales.	PA0000077446	1979
<input type="checkbox"/> [18]	Faith for Today, Inc.	Westbrook Hospital : no. 903. The Quitters / produced and distributed by Faith for Today ; produced by Gary Haynes ; directed by Bruce Baker.	PA0000077448	1979
<input type="checkbox"/> [19]	Faith for Today, Inc.	Westbrook Hospital : production no. 809]. The Harvest. pt. 1 / a production of Faith for Today.	PA0000079630	1979
<input type="checkbox"/> [20]	Faith for Today, Inc.	Westbrook Hospital : production no. 902]. One Sunday in searchlight / produced by George Adams ; directed by Gary Haynes.	PA0000079857	1979
<input type="checkbox"/> [21]	Faith for Today, Inc.	Westbrook Hospital : no. 901. Neptune's child / produced and distributed by Faith for Today ; produced by Gary Haynes ; directed by George Adams.	PA0000077445	1979
			PA0000114808	1980

<input type="checkbox"/>	Faith for Today, Inc.	Westbrook Hospital : (episode title). Rachel's homecoming / produced by Gary Haynes ; directed by George Adams.		
<input type="checkbox"/>	Faith for Today, Inc.	Mountain tops.	PA0000114809	1981

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<input type="checkbox"/> [2]	It Is Written Books	Lenders and borrowers book marks.	TXu000557682	1993
<input type="checkbox"/> [3]	It Is Written, Inc.	Oxygen : vol. 3.	VA0001220671	2003
<input type="checkbox"/> [4]	It Is Written, Inc.	Oxygen. Multimedia Graphics That Breathe Life Into Preaching And Worship : vol. 2.	VA0001232756	2003
<input type="checkbox"/> [5]	It Is Written, Inc.	Oxygen : Christmas 2003.	VA0001220670	2003
<input type="checkbox"/> [6]	It Is Written, Inc.	Oxygen. Multimedia Graphics That Breathe Life Into Preaching And Worship : vol. 1.	VA0001232750	2003
<input type="checkbox"/> [7]	It Is Written, Inc.	Oxygen : vol. 4.	VA0001220672	2003
<input type="checkbox"/> [8]	It Is Written, Inc.	Oxygen starter kit ; Oxygen multimedia graphics starter kit.	VA0001262643	2004
<input type="checkbox"/> [9]	It Is Written, Inc.	Oxygen : vol. 8.	VA0001357829	2004
<input type="checkbox"/> [10]	It Is Written, Inc.	Oxygen Easter collection : Oxygen multimedia graphics Easter collection.	VA0001262641	2004
<input type="checkbox"/> [11]	It Is Written, Inc.	Oxygen : vol. 6 ; Oxygen multimedia graphics : vol. 6.	VA0001262639	2004
<input type="checkbox"/> [12]	It Is Written, Inc.	Oxygen : vol. 5 ; Oxygen multimedia graphics : vol. 5.	VA0001262640	2004
<input type="checkbox"/> [13]	It Is Written, Inc.	Oxygen sampler : Oxygen multimedia graphics sampler.	VA0001262642	2004
<input type="checkbox"/> [14]	It Is Written, Inc.	Oxygen : vol. 7.	VA0001357832	2004
<input type="checkbox"/> [15]	It Is Written, Inc.	Oxygen Christmas collection.	VA0001357824	2005
<input type="checkbox"/> [16]	It Is Written, Inc.	Oxygen inmotion downloads.	VA0001357823	2005
<input type="checkbox"/> [17]	It Is Written, Inc.	Oxygen : vol. 10.	VA0001357822	2005
<input type="checkbox"/> [18]	It Is Written, Inc.	Oxygen : vol. 11.	VA0001357833	2005
<input type="checkbox"/> [19]	It Is Written, Inc.	Oxygen : vol. 12.	VA0001357828	2005
<input type="checkbox"/> [20]	It Is Written, Inc.	Oxygen : vol. 9.	VA0001357831	2005
<input type="checkbox"/> [21]	It Is Written, Inc.	Oxygen worship.	VA0001357826	2005
<input type="checkbox"/> [22]	It Is Written, Inc.	Oxygen : vol. 16.	VA0001388036	2006
<input type="checkbox"/> [23]	It Is Written, Inc.	Oxygen InMotion : no. 1 : Oxygen InMotion : the passion collection.	VA0001371167	2006
<input type="checkbox"/> [24]	It Is Written, Inc.	Oxygen : vol. 13.	VA0001357830	2006
<input type="checkbox"/> [25]	It Is Written, Inc.	Oxygen resource DVD : vol. 1.	VA0001357825	2006

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Resort results by: Date (ascending) ▼

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<input type="checkbox"/> [26]	It Is Written, Inc.	Oxygen inMotion : vol. 2 : Oxveen InMotion : the spirit collection.	VA0001371102	2006
<input type="checkbox"/> [27]	It Is Written, Inc.	Oxygen Easter collection 2.	VA0001357827	2006
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<input type="checkbox"/> [30]	It Is Written, Inc.	Oxygen : vol. 18 : Oxygen multimedia graphics : vol. 18.	VA0001408048	2007
<input type="checkbox"/> [31]	It Is Written, Inc.	Oxygen Volume 20.	VA0001671471	2007
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<input type="checkbox"/> [34]	It Is Written Inc	Oxygen Volume 23.	VA0001659828	2008
<input type="checkbox"/> [35]	It Is Written, Inc.	Oxygen. Multimedia graphics that breathe life into preaching and worship. VOLUME 21.	VA0001640040	2008
<input type="checkbox"/> [36]	It Is Written, Inc.	Oxygen Volume 22.	VA0001716577	2008
<input type="checkbox"/> [37]	It Is Written, Inc.	Oxygen Volume 24.	VA0001710896	2008

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#	Name (NALL) <	Full Title	Copyright Number	Date
<input type="checkbox"/> [1]	Breath of Life, Inc.	Wallet size color coded CPR/first aid reference cards.	TXu000629952	1994
<input type="checkbox"/> [2]	Breath of Life, Inc.	New Life Discovery . Exploring the awesome spirituality of pregnancy and birth.	TXu001673366	2008

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FILED
Nov 15, 2000 8:00 am
Secretary of State

APPLICATION FOR REGISTRATION OF FICTITIOUS NAME

Note: Acknowledgements/certificates will be sent to the address in Section 1 only.

Section 1

1. BENNY HINN MINISTRIES
Fictitious Name to be Registered

2. 1159 COTTONWOOD LN. STE. 150
Mailing Address of Business
IRVING, TX 75038
City State Zip Code

3. Florida County of principal place of business: ORANGE ✓

4. FEI Number: 59-1245704

C/O DAVID MIDDLEBROOK

G00320900214

-11/15/00--01073--022
*11/15/00
This space for office use only

Section 2

A. Owner(s) of Fictitious Name if individual(s): (Use an attachment if necessary):

1. Last First M.I. Address City State Zip Code SS# (optional)

2. Last First M.I. Address City State Zip Code SS# (optional)

B. Owner(s) of Fictitious Name if other than individual(s): (Use attachment if necessary):

1. WORLD HEALING CENTER CHURCH, INC. 2. Entity Name
5215 N. O'CONNOR #2000 Address
IRVING, TX 75039 City State Zip Code ✓
Florida Registration Number 770114
FEI Number: 59-1245704
 Applied for Not Applicable

Entity Name Address City State Zip Code Florida Registration Number FEI Number: Applied for Not Applicable

Section 3

I (we) the undersigned, being the sole (all the) party(ies) owning interest in the above fictitious name, certify that the information indicated on this form is true and accurate. In accordance with Section 865.09, F.S., I (we) further certify that the fictitious name shown in Section 1 of this form has been advertised at least once in a newspaper as defined in chapter 50, Florida Statutes, in the county where the applicant's principal place of business is located. I (we) understand that the signature(s) below shall have the same legal effect as if made under oath. (At Least One Signature Required)

[Signature] 11-8-00 ✓
Signature of Owner Date
Phone Number: 972-359-1919 Phone Number:

Section 4

FOR CANCELLATION COMPLETE SECTION 4 ONLY:
FOR FICTITIOUS NAME OR OWNERSHIP CHANGE COMPLETE SECTIONS 1 THROUGH 4:

I (we) the undersigned, hereby cancel the fictitious name _____
which was registered on _____ and was assigned registration number _____

Signature of Owner Date Signature of Owner Date

Mark the applicable boxes Certificate of Status - \$10 Certified Copy - \$30
Filing Fee: \$50

CR4E-001

79
11-15-00

**Senate Finance Committee, Minority Staff Review of
EAGLE MOUNTAIN INTERNATIONAL CHURCH
d/b/a KENNETH COPELAND MINISTRIES**

(Prepared by Lynda F. Simmons)

Introduction

The Committee's initial letter was addressed to Kenneth Copeland Ministries. In its response however, the organization responded that Kenneth Copeland Ministries, Inc. ("KCM") is an assumed business name, as registered with the Texas Secretary of State, for Eagle Mountain International Church, Inc. ("EMIC"). Thus, KCM does not appear to be a separate entity from EMIC and, therefore, EMIC and KCM, while used interchangeably, are considered by staff as one and the same for purposes of this review.

Generally speaking, EMIC/KCM was not responsive to the Committee's request for information. Throughout their written response to questions posed by the Committee, EMIC/KCM, through their legal counsel stated, "Based on constitutionally and statutorily based privacy and confidentiality concerns, the Church respectfully declines to provide the detailed accounting requested. The Church understands that the IRS has the ability to request this information from the Church through a church tax inquiry conducted in accordance to section 7611 of the Code, and that the Senate Finance Committee would have the ability to obtain this information from the IRS through a request pursuant to section 6103(f) of the Code. Proceeding within these well-established statutory frameworks would allow Senator Grassley to obtain the information requested without compromising the legitimate constitutionality and statutorily based privacy and confidentiality concerns of the Church in a disparate manner from other churches that enjoy these constitutional and statutory protections."¹

In April of 2008, John Copeland, Kenneth Copeland's son, stood in front of the IRS office in Dallas, Texas, while CBS News filmed him requesting that the IRS initiate an inquiry of EMIC/KCM.

In another response to the inquiry via the media, John stated the following when questioned about EMIC/KCM's response to the Committee, "KCM's response contained detailed information about non-church related questions but did not provide certain private information about the ministry and operation of the church. We assured the Senator that KCM fully complies with all of its legal obligations. We also pointed out that anything KCM declined to provide Senator Grassley could easily be obtained by the IRS in a church inquiry where confidentiality and privacy would be maintained."²

¹ Church Submission to Senate Finance Committee, December 6, 2007

² "John Copeland responds to media allegations about Kenneth Copeland Ministries" www.philcooke.com

EMIC/KCM'S reason for not responding was similar to that of the three other churches that did not fully comply with the Committee's request. The Committee's response to each organization was the same and is outlined in a letter from Senator Grassley to Creflo Dollar's attorneys. That letter is included in the overview of Dollar's church.

EMIC/KCM's response to the Committee and its public statements made it clear that EMIC/KCM did not intend to cooperate with the Committee's request and provided the missing responses. As a result, Committee staff attempted to secure the requested information from public records and third parties. In this process, staff learned that EMIC/KCM used to strong tactics to prevent former employees from speaking about the organizations, even to Committee staff.

Several former employees of EMIC/KCM indicated that EMIC/KCM used intimidation in an attempt to keep informants from speaking to the Committee. Former employees were sincerely afraid to provide statements for fear of being sued since they signed confidentiality agreements. Employees were contacted by EMIC/KCM attorneys after the initiation of the Committee investigation and reminded that they signed a confidentiality agreement agreeing not to disclose any information concerning EMIC/KCM.³ One former employee stated the following, "The Copelands employ guerrilla tactics to keep their employees silent. We are flat out told and threatened that if we talk, God will blight our finances, strike our families down, and pretty much afflict us with everything evil and unholy. Rather, God will allow Satan to do those things to us because we have stepped out from under His umbrella of protection, by "touching God's anointed Prophet". Further, employees are encouraged to shun and treat badly anyone who dares speak out."⁴

Governance and Organizational Structure

Officers, Directors, Trustees and Key Employees

In its response to the Committee, the Church stated that its board of directors consists of Kenneth Copeland, Gloria Copeland and nine other members. The Church declined to provide the names and addresses of the board members from 2004 to present as requested. It indicated that the other members of the Board are an Oklahoma architect, husband and wife pastors from Minnesota, a Missouri businessman, a Texas pastor, husband and wife pastors from Texas, a Louisiana evangelist and an Arkansas businessman.⁵

According to the Texas Secretary of the State record as of November 2006, which is when it appears EMIC last provided updates to the Texas Secretary of State, the following persons are directors/officers with EMIC:

³ Third Party Informant A

⁴ Third Party Informant B

⁵ Church Submission to Senate Finance Committee, December 6, 2007

- Kenneth Copeland-President
- Gloria Copeland-Executive Vice-President
- John Copeland-CEO
- George Pearsons-Secretary/Treasurer
- Delaine Neece-Assistant Secretary
- Delaine Neece-Record Secretary
- Jan Harbour-1st Assistant Secretary/CFO
- Loyal Furry-Director,
- James Hammond-Director
- Lynne Hammond-Director
- Bill McLellan-Director
- Harold Nichols
- Jerry Savelle-Director
- Carolyn Savelle-Director
- Jesse Duplantis-Director
- John Best-Director⁶

The table below indicates the relationship between Copeland and the Board of Directors:⁷

Name	Occupation	Relationship
Gloria Copeland	Preacher/Evangelist	K. Copeland's wife
Loyal Furry	Architect	*
James Hammond	Pastor, Living Word Christian Center	*
Lynne Hammond	Pastor, Living Word Christian Center	Wife of James Hammond
Bill McLellan		
Harold Nichols	Retired pastor,	*
Jerry Savelle	Pastor, Heritage of Faith Christian Center	*
Carolyn Savelle	Evangelist	Wife of Jerry Savelle
Jesse Duplantis	Preacher/Evangelist	*
John Best		
John Copeland	CEO- Kenneth Copeland Ministries	K. Copeland's son
George Pearsons	Pastor of EMIC	K. Copeland's son-in-law
Delaine Neece	Executive Assistant to the Copelands	Gloria's former sister-in-law

* Loyal Furry, James Hammond, Harold Nichols, Jerry Savelle and Jesse Duplantis are not related to the Copelands. However, informants stated to Committee staff that the Copelands have close personal relationships with these individuals.⁸ The nature of Copeland's relationship with board members raises questions about these individuals' ability to exercise independent judgment.

Veto Power

According to the Amended and Restated Bylaws of Eagle Mountain International Church, Inc. Article 5, Section 21 filed with Tarrant County on July 30, 2007,

⁶ Texas, Secretary of State, <<http://www.direct.sos.state.tx.us>>.

⁷ Trinity Foundation Inc.

⁸ Ibid

“Kenneth Copeland, as Co-founder and *ex officio* member of the Board of Directors, shall in his sole discretion be empowered to veto any resolution of the Board which he the President shall determine is not in the best financial or operational interests of the Church...”⁹ In addition if the Board passes a resolution to remove one of the Directors or one of the officers, the resolution is not effective unless signed by Kenneth Copeland.

Board Meetings

Per the Church response, EMIC/KCM conducts annual board meetings at the Church’s main campus in Newark, Texas, at an average annual cost of \$4,500. Out-of-town board members are housed at a local motel or at the parsonage. Board meetings were held on the following dates: April 23, 2003, March 26, 2004, April 1, 2005, April 20, 2006 and April 20, 2007. The Church also stated that the Board meets as necessary by telephone to consider Church business.¹⁰

Accountability to Members

According to the EMIC bylaws, the Church “shall have no class of memberships entitled to vote.” In addition, Kenneth Copeland and his family members hold all the key positions in the Church. Kenneth Copeland is president, Gloria Copeland is vice-president, John Copeland is the chief executive officer and George Pearsons (Copeland’s son-in-law) is the pastor of EMIC.¹¹ This would mean that members of EMIC have no voting rights concerning any of the operational and financial matters of the Church.¹²

Integrated Auxiliaries

The Church responded to the Committee that it had no integrated auxiliaries. However, a search of Texas Secretary of State records indicate the Church filed at least twenty-one “assumed name certificates” with EMIC or International Church of the Word of Faith (ICTWF) as the incorporating entity. Each assumed name and date of filing is listed below. As of December 2010, according to state records, all but the last two organizations listed have expired certificates. However, it is not clear whether EMIC/KCM is still using any of these names. Note that KCM, Inc. is one of the expired names.

Name	Date Filed
Believer's Voice of Victory	4/30/79 and 6/13/86
Kenneth Copeland Ministries, Inc.	2/22/79 and 6/13/86
Gospel for America	4/30/79 and 6/13/86
Kenneth Copeland Evangelistic Association	4/30/79 and 6/13/86

⁹ The Amended and Restated Bylaws were provided to the Committee by Third Party Informant C.

¹⁰ Church Submission to Senate Finance Committee, December 6, 2007

¹¹ Third Party Informant C

¹² Laura Strickler, “Control Freak, Televangelist” www.cbsnews.com, April 22, 2008.

Copeland Bible Class	4/30/79 and 6/13/86
Voice of Victory	4/30/79 and 6/13/86
KCP Records	4/30/79 and 6/13/86
Kenneth Copeland Publications	4/30/79 and 6/13/86
SOZO Records, Inc.	12/2/1981 and 6/13/86
Sonrise	1/18/82 and 6/13/86
SOZO Music	6/29/1981
Kenneth Copeland	2/24/1986
Eagle Mountain Lake Development & Construction Corp.	6/13/1986
Eagle Mountain Island	3/5/1987
Eagle Mountain Recording Studio	3/5/1987
Eagle Mountain Church	6/27/1988
Kel-Jon Music, Inc.	11/6/1995
Heirborne Music, Inc.	10/24/1998
International Church of the Word of Faith, Inc.	10/27/1986
Superkid Academy	10/21/2009
Legacy Creative Group	10/21/2009

Committee staff requested the Internal Revenue Service search for Form 990 for many of these entities. The Internal Revenue Service was unable to locate any.

In addition to the entities listed above, Kenneth Copeland, Gloria Copeland and John Copeland are officers of an organization called Pitcherman Inc. Pitcherman, Inc. was established in March of 2003 and organized as a nonprofit in the state of Texas. According to the articles of incorporation filed with the Texas Secretary of State, one of the purposes of Pitcherman, Inc. was to “receive charitable gifts from various entities, including offshore corporations and entities, and to distribute said monies to other qualified 501(c)3 churches, para-churches, ministries and evangelistic organizations...” The Board of Directors for Pitcherman Inc. consisted of Kenneth Copeland, Gloria Copeland and John Copeland. A Form 990 was not found for this entity on GuideStar.org. The Church responded to the Committee that this entity was never operational.

Other Entities Associated with EMIC/KCM

- Victory Eagle Utility LLC, a/k/a Victory Eagle Aviation - According to records from the Texas Office of the Secretary of State, Victory Eagle Aviation and KCM use 14355 Morris Dido Road, Newark TX as their address.
- EI Rancho Fe - According to the Church’s response to the Committee, “Rev. John Copeland leases part of the land owned acquired by the Church from the Estate of Paul H. Prewitt for cattle operations, which are conducted through EI Rancho Fe, a corporation owned by John

Copeland and Copeland Cattle Company, a limited partnership owned by John Copeland, Marty Copeland and El Rancho Fe.” Pursuant to a written lease, John makes lease payments to the Church based on comparable market rates. The lease was approved by the Board of Directors.¹³ Additional information concerning El Rancho Fe is noted in the “Use of Ministry Assets” section of this summary.

- Kenneth Copeland Airport - This is a private airport owned by Kenneth Copeland Ministries.¹⁴ As of December 6, 2010, there were nine aircraft based at the airport: four single engine, three multi-engine and two jet airplanes.¹⁵ Since the airport is owned by KCM there is very little public information available concerning this operation. A search of GuideStar.org was conducted but a Form 990 was not located. Former EMIC/KCM employees indicate that when visiting ministers come to EMIC/KCM, they are charged a fee for landing at the airport and for use of any hangars.¹⁶ It was also reported to the Committee that the airport has its own fuel supply¹⁷.



(Partial View of Kenneth Copeland Airport – courtesy of Trinity Foundation, Inc.)

- KGlen Air, Inc. - Texas Secretary of State records indicate that KGlen AIR, Inc. is a for-profit entity created in July of 2005 that is located in

¹³ Church Submission to Senate Finance Committee, December 6, 2007

¹⁴ www.airnav.com

¹⁵ Ibid.

¹⁶ Third Party Informant D

¹⁷ Ibid

Newark, TX. The directors are Kenneth M. Copeland and Charles G. Hyde. Copeland is also listed as the registered agent.¹⁸

- Victory Eagle Utility Service Y, Inc. – Victory Eagle is a Delaware for-profit owned by Security Petrol. George Mercer is the president and Anthony and Middlebrook PC is the registered agent for this corporation.¹⁹ Mercer is a director and president of Victory Eagle Utility Service Y, Inc. Victory Eagle Utility Service Y, Inc. is a for-profit corporation organized in the state of Delaware. Mercer is also the President of T.G. Mercer, a pipeline handling and storage company. There was a “Tommy Mercer” who was a former Board of Director for EMIC.
- Security Petrol, Inc. - Security Petrol is a Delaware for-profit which has a 100% ownership of Victory Eagle Utility Service Y, Inc. According to documents EMIC filed with the state of Texas, provided to the Committee in Trinity Foundation’s “Religious Conversion” report, EMIC owns 100% of Security Petrol.

Per the mineral deed filed with Tarrant County, also provided from Trinity Foundation’s “Religious Conversion” report, EMIC (“Grantor”) caused the formation of Security Petrol, Inc., a Delaware corporation and as part of the initial capitalization of SPI, EMIC contributed the Minerals to SPI. There is no other public information available concerning Security Petrol, Inc. Scarlett Bishop is listed as a director of Victory Eagle Utility Service Y., Inc.²⁰ John Copeland is listed as a director of Bishop’s church, Faith Christian Family Church of Panama City Beach, Inc.²¹

As of December 2007, three of the four directors for Security Petrol, Inc. were related to Kenneth Copeland. They were Jan Harbour (sister-in-law), Kellie Kutz (daughter) and John Copeland (son).²² Additional information pertaining to Security Petrol is provided later in this summary.

- Victory Eagle Marketing and Distribution Z, Inc. -Texas Secretary of State records indicate that Victory Eagle Marketing and Distribution Z is a for profit corporation organized in Delaware in March of 1998. The records also indicate that Security Petrol, Inc. is the parent corporation. George Mercer, Markus Bishop and Scarlett Bishop are all listed as directors.

Compensation

¹⁸ Texas, Secretary of State, <<http://www.direct.sos.state.tx.us>>.

¹⁹ Texas, Secretary of State, <<http://www.direct.sos.state.tx.us>>.

²⁰ Texas Secretary of State<<http://www.direct.sos.state.tx.us>>.

²¹ Trinity Foundation Inc., “*Religious Conversion*”

²² Ibid

The Church did not provide the Committee with any information pertaining to Kenneth Copeland, Gloria Copeland or John Copeland's compensation. The following information is based on information received from third party sources.

Salaries

An insider states that Kenneth Copeland no longer receives a salary from EMIC budget but it is not known if one is received from KCM. Apparently, despite being the same legal entity, EMIC and KCM have separate operating budgets.²³ Gloria Copeland's last known salary was \$400,000 and that was in the early 2000s. Kenneth and Gloria both receive "honorariums" when they go to speak at churches, conventions and crusades that are not sponsored by KCM. The normal amount received by each is \$10,000 and they at times will also receive a percentage of the offering collected by the sponsoring church or ministry. Kenneth and Gloria also received royalties from their music and books. The figures noted are prior to 2005.²⁴

In a video provided to the Committee, Kenneth Copeland is shown speaking at the Kenneth Copeland Ministries conference held in January of 2008. During this conference, he acknowledged several times that he personally is a billionaire.²⁵ Kenneth Copeland also states that since the creation of the ministry over 41 years ago, over \$1.3 billion was come into the ministry as of approximately two or three years before the date of the 2008 conference.²⁶

In April of 1996, EMIC filed an application for religious organization property tax exemption for 1996. As part of the application process, Texas law required the organization attach a list of salaries and other compensation for services paid in the last year. The law also required a list of any funds distributed to members, shareholders, or directors in the last year and the name, type of service or reason for the payment. Per Tarrant County documents, in that year EMIC/KCM board members received the following compensation.

Name	Amount
Kenneth Copeland	\$ 364,577.11
Gloria Copeland	\$ 292,593.08
John D. Copeland	\$ 111,293.02
Delaine Neece	\$ 41,969.79
Jan Harbour	\$ 81,298.22
George Pearsons	\$ 162,694.99
Total	\$ 1,054,426.21

²³ Third Party Informant D

²⁴ Ibid

²⁵ Trinity Foundation, Inc.

²⁶ Ibid

Parsonage/Housing Allowances

In its response to the Committee, the Church acknowledged that it provides a parsonage to Kenneth and Gloria and a housing allowance to John but did not provide any further detail. However, insiders and the Trinity Foundation state that Kenneth and Gloria reside in a house in Tarrant County, Texas.

A review of the Tarrant County Appraisal District records indicates the following. An 18,280 square foot residence owned by EMIC was built in 1999. The house is situated on a lake on approximately 25 acres and receives tax-exempt status. As of tax year 2008, the property was valued at \$6,249,000.

According to a third party informant, the "parsonage" has a sweeping spiral staircase and a bridge that spans across the living room and connects the two sides of the house.²⁷ It also has crystal chandeliers and, according to Gloria Copeland, doors that came from a castle.²⁸ The parsonage has numerous rooms including a work room where cleaning ladies did laundry, ironed and performed other miscellaneous chores.²⁹ The Copelands' bedroom has a huge drop-down ceiling projector and screen.³⁰ There are three car garages at each end of the house where the Copelands stored motorcycles, cars and a golf cart.³¹ The property also has a boat dock that has three slips.³² All three slips are generally filled with boats so the Copelands keep their ski-boat in one of the airplane hangars. Insiders indicated that all the expenses related to the upkeep of the parsonage are paid for by the Church, including the household staff. EMIC/KCM employees are used to maintain the property and perform miscellaneous duties such as arranging the Copelands' exercise equipment, moving furniture and setting up the Christmas tree.³³ One informant recalled that it took four male employees five days to assemble the Christmas tree and put up other Christmas decorations at the house. Employees from the accounting department were tasked to decorate the tree. Insiders also stated that shortly after the Copelands moved into the parsonage, Gloria and her daughter Kelli purchased Spode china through the EMIC/KCM's purchasing department.³⁴

²⁷ Thlr Party Informant D

²⁸ Ibid"

²⁹ Ibid

³⁰ Ibid

³¹ Ibid

³² Ibid

³³ Ibid

³⁴ Ibid



(Tarrant County Residence – courtesy of Trinity Foundation, Inc.)

EMIC/KCM Credit Cards and Personal Expenses

The Church did not provide the requested credit card information or a detailed accounting of expense account items for Kenneth, Gloria and John Copeland. An insider stated that at one time the Copelands used American Express credit cards for their personal expenses. The Church may now use MasterCard. All of these expenses are subsequently paid for by the Church.³⁵ It is unclear whether the Copelands report the Church's payment of personal expenses as income on their individual tax returns.

Vehicles Allowance

The Church did not provide the requested vehicle information to the Committee. However, according to the Tarrant County Appraisal District, there are no vehicles owned by EMIC. According to a copy of an employment agreement provided to the Committee by Trinity Foundation in its *Religious Conversion* report on EMIC/KCM, EMIC agrees to pay all costs associated with any vehicle selected by Gloria Copeland. Trinity Foundation's report also states that at one time there were numerous vehicles registered to Kenneth and Gloria Copeland, including but not limited to a 2007 Mercedes Benz S550, a 2005 XLR Cadillac Roadster Convertible and a 2003 Corvette Convertible.

Other Benefits

Insiders report that at one time the Copelands had a personal chef who worked at the residence and also traveled with them. EMIC/KCM ministry paid the chef for his services.³⁶

Compensation Committee

³⁵ Ibid

³⁶ Ibid

The Church did not provide the names and addresses of Compensation Committee members.

A draft letter dated in 2004 from to Kenneth and Gloria Copeland from their former attorney Dennis Brewer was included in the Trinity Foundation *Religious Conversion* report that was provided to the Committee. In the letter, Brewer expresses concern that KCM's compensation committee is made up of Board Members who make recommendations to themselves. He acknowledges that there is a "loophole" in the law that permits it but if "an IRS agent was doing an examination it would raise a large severe red flag." The letter goes on to state that "KCM has taken great precautions to not have the necessity to file 990s and to keep compensation issues confidential so why take an unnecessary chance?"³⁷ The inference can be made that the Church, at least prior to 2004, did not have a truly independent compensation committee independent of Kenneth Copeland's influence, his family and close friends.

Compensation to, and Transactions with, Relatives

In addition to the above-mentioned information, the Church also provided Tarrant County, as part of a property tax exemption application, with what appears to be the total salaries for 1995 which were \$12,696,392.61. Of the \$12,696,392.61, the Copelands and their relatives were paid as follows.³⁸

Name	Amount	Note
Kenneth Copeland	\$ 364,577.11	
Gloria Copeland	\$ 292,593.08	Kenneth's wife
John Copeland	\$ 111,293.02	Kenneth's son
Marty Copeland	\$ 21,566.88	John Copeland's wife
Jan Harbour	\$ 81,298.22	Gloria's sister
Missy Johnson	\$ 85,346.75	Gloria's sister
L. Scott Johnson	\$ 65,167.44	Gloria's son-in-law
Alan Kutz	\$ 106,310.65	Kenneth's son-in-law
Jennifer Neece	\$ 74.39	Gloria's niece
Mary Neece	\$ 54,748.02	Gloria's mother
Mary Delaine Neece	\$ 41,969.79	Gloria's sister-in-law
Richard Neece	\$ 61,071.98	Gloria's brother
George Pearsons	\$ 162,694.99	Kenneth's son-in-law
Jeremy Pearsons	\$ 502.98	Kenneth's grandson
Terri Pearsons	\$ 50,095.92	Kenneth's daughter
Total	\$ 1,499,311.22	

³⁷ Trinity Foundation Inc., "Religious Conversion"

³⁸ Ibid

The Church also paid Doug Neece's company, Integrity Media, \$22,400,000 and \$20,600,000 in 1997 and 1996.³⁹ Doug Neece is Gloria Copeland's brother. Joel Neece, Copeland's nephew, is also listed as a director for Victory Eagle Utility Service Y, Inc., a company also run by EMIC/KCM.

John Copeland, Chief Executive Officer of EMIC

According to Tarrant County real estate records, on June 4, 1998, a Deed of Trust was executed between John Copeland and EMIC. According to county records, John borrowed \$73,671.88 from EMIC.

The county records also indicate that John Copeland acquired three pieces of property from EMIC, one currently known as 12883 Morris Dido and two at 12891 Morris Dido, Newark, TX (EMIC is located at 14355 Morris Dido, Newark, TX.). It would appear that all three properties were purchased for \$73,671.88. This sale of Church property to John Copeland took place after the Copelands realized that a substantial portion of the land consisted of an oil and gas producing field.⁴⁰

Ten years later, according to the Tarrant County records these three combined pieces of property have a market value of \$488,660. In addition, John Copeland has a mineral interest that has a 2008 market value of \$48,290.⁴¹ EMIC filed a release of lien in 2001 which was signed by Kenneth M. Copeland indicating that John Copeland repaid the above-mentioned loan to EMIC.⁴²

Per the response to the Committee from the Church, "The Board also approved the sale, at fair market rate, of a small parcel of land to Rev. John Copeland for personal use as a residence and for his cattle operations." Committee staff is unsure if this is the same property noted in the Deed of Trust⁴³.

Gloria Copeland - A copy of the Corporate Resolution For Eagle Mountain International Church, Inc., Kenneth Copeland Ministries that was provided to the Committee by a third party indicates that Gloria loaned the Church \$1million at 6.25% per annum.. This document also indicates that on October 25, 2002, a Promissory Note was executed by EMIC cancelling the original \$1,000,000 note and renewing the same, together with accrued interest and the new note amount is \$1,083,407.29 and as of 10/25/02 the unpaid balance of the principal amount was \$1,055,594.89.⁴⁴ In response to the Committee's question regarding this loan EMIC/KCM states that "In November of 2000, Revs. Kenneth and Gloria Copeland agreed to make a \$1 million interest-free loan to the Church to allow the Church to address short-term cash-flow needs." The Church realized that the interest-free nature of the loan created imputed interest income to the Copelands

³⁹ Ibid

⁴⁰ Ibid

⁴¹ Tarrant County Appraisal District

⁴² Trinity Foundation Inc., "Religious Conversion"

⁴³ Church Submission to Senate Finance Committee, December 6, 2007

⁴⁴ Trinity Foundation Inc., "Religious Conversion"

which "imposed an unanticipated personal tax burden on them." Therefore the Board approved the issuance of a replacement promissory note in the amount of \$1, 083, 407.29 reflecting the imposition and accrual of interest. The Church did not provide copies of the original loan documents to the Committee.⁴⁵

Kellie Kutz (Kenneth & Gloria's daughter) - In 1997, according to Tarrant County records, Kellie Kutz was paid \$7,000 in honorariums, \$43,505.21 in royalties and advance royalty payments and \$3,125.00 for a "new church design." Total received, which does not include any salary, is \$56,533.42⁴⁶.

Marty Copeland (John's wife) - In 1997, according to Tarrant County records Marty Copeland was paid \$18,637.85 in royalty payments⁴⁷.

Transactions with Board Members

The "Notes to Consolidated Financial Statements" section provided to Tarrant County state the following under *Related Party Transactions*, "Benevolent giving in the accompanying consolidated financial statements includes cash contributions of approximately \$42,000 and \$45,000 paid to board members in 1997 and 1996, respectively. The Church also gave approximately \$568,000 and \$388,000 in 1997 and 1996, respectively to board members for honorarium and benefit purposes."

Per Tarrant County records, in 1997 board members received the following payments from EMIC/KCM.

Name	Honorarium	Royalties	Church Design	Total
James "Mac" Hammond	\$ 9,000.00	\$ 10,418.18		\$ 19,418.18
Lynne Hammond	\$ -	\$ 3,324.00		\$ 3,324.00
Jesse Duplantis	\$ 10,000.00	\$ 39,943.52		\$ 49,943.52
Jerry Savelle	\$ 14,508.30	\$ 18,476.00		\$ 32,984.30
Carolyn Savelle	\$ 1,587.05	\$ -		\$ 1,587.05
Loyal Furry	\$ -	\$ -	\$ 38,000.00	\$ 38,000.00
				\$ 145,257.05 48

In addition to the payments noted above, the following are a list of noteworthy transactions between Copeland and board members.

- James "Mac" Hammond - In 2007 Copeland or EMIC/KCM gave Hammond's ministry a Citation 1 jet.⁴⁹
- Jesse Duplantis - Duplantis is the pastor of Covenant Church and the founder of Jesse Duplantis Ministries. In a video provided to the Committee, Duplantis acknowledges in a taped television appearance

⁴⁵ Church Submission to Senate Finance Committee, December 6, 2007

⁴⁶ Trinity Foundation Inc., "Religious Conversion"

⁴⁷ Ibid

⁴⁸ Ibid

⁴⁹ "Money, Jets and Men of the Lord" < www.greatdivide/typepad.com >

that he gave KCM \$100,000 and in 8 months received \$10,000,000.⁵⁰
Duplantis states he has owned three jets and paid cash for each one.

- Jerry Savelle - Savelle is the founder of Jerry Savelle Ministries. It has been reported that Savelle also received a jet from Copeland.⁵¹

⁵⁰ Third Party Informant C, DVD

⁵¹ *Money, Jets and Men of the Lord* < www.greatdivide/typepad.com >

Finances

Financial Information with Tarrant County

In order for an asset of a religious organization to be exempt from property taxes the state of Texas requires an "application for religious organization property tax exemption" be completed and filed with the County where the asset is located. As part of this application the religious organization is required answer the following questions and provide the following information.

- Is the organization organized and operated primarily for the purpose of engaging in religious worship or promoting the spiritual development or well-being of individuals?
- In the past years has the organization loaned funds to, borrowed funds from, sold property to, or bought property from a shareholder, director, or member of the organization, or has a shareholder or member sold his interest in the organization for-profit? If yes, please attach a description of each transaction. For sales, give buyer, seller, price paid, value of the property sold, and date of sale. For loans, give lender, borrower, amount borrowed, interest rate, and term of loan. Attach copy of note, if any.
- Attach a list of salaries and other compensation for services paid in the last year. Also list any funds distributed to members, shareholders, or directors in the last year. In each case, give the recipient's name, type of service rendered or reason for payment, and amounts paid.

EMIC/KCM had previously filed this information. However, it appears that when EMIC/KCM realized such information is available to the public, EMIC/KCM convinced a former Tarrant County appraiser that the Church should not have to provide this information. The former Tarrant County Appraiser then allowed EMIC/KCM to provide a statement from the Church's paid accountants indicating that the Church was operating in good standing. However, it should be noted that some other religious organizations continued to disclose this information with Tarrant County. Since EMIC/KCM is no longer required to provide this information to Tarrant County, it is also no longer available to the public.

After the initiation of the Committee investigation, Committee staff spoke with the former Tarrant County Appraiser who granted the filing exception. He stated that he made the decision that EMIC/KCM did not have to provide this information required by Texas law and that the law gave him the authority to do so.

It should be noted that in 2008, EMIC/KCM filed an application with Tarrant County to have an aircraft exempt from tax and the new Tarrant County Appraiser denied the exemption request because EMIC/KCM did not provide all the information as required by Texas law.⁵² EMIC/KCM appealed this decision

⁵² Brett Shipp, "Appraisal Board denies Copeland exemption on jet" www.wfaa.com

but was denied exemption again by the county's appeals board. In March of this year Tarrant County settled the lawsuit over the tax-exempt jet. EMIC/KCM was once again not required to disclose any salary or compensation information that would have been available to the public.⁵³

Audited Financial Statements

In the state of Texas, organizations can register "Assumed Business Names" with the Texas Secretary of State. As noted previously, according to a former EMIC/KCM employee, there were separate budgets for Eagle Mountain International Church and Kenneth Copeland Ministries.⁵⁴ The employee stated a member of the management staff told her that the ministry received approximately \$80 million to \$90 million a year in 2003.⁵⁵ Since EMIC and KCM are the same entity, Committee staff assumes that all activities of EMIC/KCM are categorized as "church" activities.

According to the website for KCM, the firm of Ratliff and Sommerville conducts a yearly financial audit for the Church. However, to date, the Committee staff have not been able to locate audited financial statements for Eagle Mountain International Church (EMIC)/Kenneth Copeland Ministries (KCM). EMIC/KCM declined to provide this information to the Committee. In its response to the Committee the Church responded, "Based on constitutionally and statutorily based privacy, confidentiality, and freedom of association concerns, the Church respectfully declines to provide copies of the audited financial statement for the Church or any of the entities listed above."

Real and Personal Assets

Real Property Purchased

Per the response from EMIC the Church had the following "significant" real estate transactions.⁵⁶

- Purchase of 6020 Lakehurst, Arlington, Texas, in the mid 1970s and the Church headquarters. The property was sold in 1980.
- Purchase of 4701 Green River Court, Fort Worth, Texas, in 1975 that was used as a Church parsonage. The property was sold in 1981.
- Purchase of property at 7860 Skylake, Fort Worth, Texas, in 1981 for use as a church parsonage. The property was sold in 2000.
- Purchase of property in Randburg, South Africa, in 1995 to build international offices.

Gas Wells

⁵³ Darren Barbee, "TAD, Copeland ministry settle suit over tax-exempt jet" Fort Worth Star Telegram.

⁵⁴ Third Party Informant D

⁵⁵ Ibid

⁵⁶ Ibid

EMIC owns several gas wells located on the organization's property. According to the Tarrant County Appraisal District records, EMIC owns mineral interests valued at \$20,146,940, \$24,246,670 and \$20,347,370 in 2006, 2007 and 2008, respectively. The Church was paid royalty interest related to this property by Antero Resources I, LP, currently known as XTO Resources I, LP.⁵⁷

The Church did not provide any details regarding the amounts received from third parties in royalty interest. Rather, the Church provided copies of leases and deeds which were not in any consistent order. This made it difficult for Committee staff to glean much from the documents. Staff did glean that EMIC executed several mineral deeds filed in Tarrant County, Texas. The Church conveyed to Security Petrol its interest in the oil, gas and other minerals located on several acres of land owned by the Church. Committee staff have been unable to determine what, if any, consideration was paid to EMIC.

Security Petrol subsequently conveyed this same interest to Victory Eagle Service Utility Y, Inc. (formerly known as Victory Eagle Marketing and Distribution Z), a for-profit whose officers are on the board of directors of EMIC or are related to Copeland.⁵⁸ (Note: Security Petrol and Victory Eagle Utility Service Y, Inc. used the same address, 14355 Morris Dido Road, Newark, TX. This is also the address for property owned by the Church. John Copeland signed as President of Victory Eagle Service Utility Y, Inc.)⁵⁹ On one document, John Copeland signs as the representative of EMIC, Security Petrol, Inc. and Victory Eagle Marketing and Distribution Z, Inc.⁶⁰

The Church, in its response, explained its reason for setting up Security Petrol, Inc.

“...it was discovered that a substantial portion of the land consisted of an oil and gas-producing field. Due to the liability exposure associated with oil and gas production, and in a effect to minimize the interference of such production activities with the Church's tax-exempt religious activities, the Church made the decision in 1997 to create a wholly owned, for-profit subsidiary, Security Petrol, Inc., and to transfer the producing portions of the land, related mineral interests in the land, and initial operating capital to that entity. Neither the Copelands nor any other individual has any ownership interest in Security Petrol, Inc...”

According to a “farmout” agreement between Eagle Mountain International Church Inc. (EMIC), c/o Kenneth Copeland Ministries and Antero Resources I, LP effective 6/15/2004, EMIC agreed to lease and farmout land to Antero so that Antero could develop the oil and gas under the land. EMIC executed an oil and gas lease with Antero giving Antero the exclusive right to develop the oil and gas

⁵⁷ Church Submission to Senate Finance Committee, December 6, 2007

⁵⁸ Trinity Foundation Inc., “*Religious Conversion*”

⁵⁹ Texas, Secretary of State <<http://www.direct.sos.state.tx.us>>

⁶⁰ Church Submission to Senate Finance Committee, December 6, 2007

and providing for a 25% land owners royalty to EMIC. Antero also agreed to allow EMIC to back in for a 20% overriding royalty after payout on a well-by-well basis.

In addition, contemporaneously with the execution of the agreement, Antero agreed to pay EMIC in cash by wire transfer, bonus consideration of an amount equal to \$3,000.00 per net mineral acre for the approximate 1,070 net mineral acres covered by the lease.⁶¹ The lease covered 1070.6596 net mineral acres, which would mean EMIC received a bonus via a cash wire for \$3,210,979.00. The farmout agreement is signed by John Copeland, Vice-President of EMIC.

EMIC received an overriding royalty interest from XTO, formerly known as Antero Resources I, LP related to several wells yet the amount of the royalty interest paid was not provided to the Committee. (Note: In response to the Committee's request, the Church only provided publicly available documents.)

It has been reported to the Committee that Kenneth Copeland told friends that he receives 2% royalties "back in" as it relates to the oil and gas wells.⁶² A back-in is an interest earned after the well pays back its cost to the working interest.

Power plant

Insiders state that EMIC owns a power plant that employees refer to as "Land of Goshen." The power plant at one time sold electricity to TXU Energy. In a video obtained by the Committee, Copeland acknowledges that he has a power plant.⁶³

Use of Ministry Assets

In its response to the Committee the Church stated that, "as a general policy, the Church prohibits the personal use of assets. Use of Church facilities and assets is limited to activities related to or in support of the Church, to entities that are owned or controlled by the Church, or to another non-profit church or ministry engaged in similar nonprofit activities."⁶⁴

The Church acknowledged that, to an "insubstantial" degree, the Church-owned aircraft has been used for personal reasons. The Church stated that "the value of any personal use of Church-owned assets is treated as compensation and reported as taxable income on the respective employee's Form W-2, unless specifically excluded by statute."⁶⁵

Church Employees

Several Church employees told the Committee that Church employees work for businesses operated by Gloria Copeland and John Copeland. Gloria's business

⁶¹ Ibid

⁶² Trinity Foundation Inc., "Religious Conversion"

⁶³ Third Party Informant D

⁶⁴ Church Submission to Senate Finance Committee, December 6, 2007

⁶⁵ Ibid

"Great Designs" was an interior design business that at one time had a separate phone line at the Church. Very few employees were privy to the existence of Great Designs. Those who had knowledge were instructed not to tell anyone about the business because Gloria Copeland could get in trouble as it was not part of the ministry and a for-profit.⁶⁶

El Rancho Fe was a for-profit horse ranch that was operated on ministry property by John Copeland. Ministry insiders stated that Church employees were used to process payroll checks for El Rancho Fe employees, to draft letters for El Rancho Fe, and to repair sheds and feeding troughs and perform other miscellaneous duties related to John Copeland's ranch. Church employees were also used to round up cattle and take them to winter pastures. Church employees were not questioned as to how much time they spent working for El Rancho Fe. Since there was no accounting to the Church for time employees worked at El Rancho Fe, it would have been impossible for the Church to have been adequately compensated, if it were compensated at all.⁶⁷ An insider also stated that when they were conducting tours on behalf of EMIC/EMIC if any questions arose concerning the cattle and horses that were visible on the property they were told to say, "The owner of the land leases the land to the owner of the cows." The ministry insider went on to say that there was so much cover up in order to keep people from asking a lot of questions.⁶⁸

Ministry Jet

According to the Church response, "the Church owns five aircraft that it uses in connection with its tax-exempt religious purposes, including worldwide ministry conventions,.." The fleet consisted of a) a 1962 Beech H-18 twin, b) a 1973 Cessna 421B Golden Eagle, c) a 1975 Cessna 500 Citation, d) a 1998 Cessna 550 Citation Bravo and e) a 2005 Cessna 750 Citation C. The Church also states that any personal use is added to the Copeland's Form W-2.⁶⁹

A former ministry employee stated Gloria Copeland used a jet to fly to Naples, Florida, to go shopping.⁷⁰ She would purchase clothing, sculptures and home furnishings.⁷¹ John Copeland and ministry employees, Craig Atnip, Steve Poteet and some others used a jet to take hunting trips.⁷² Kenneth Copeland used to travel back and forth to Arkansas to see a chiropractor and to visit his cabin there. The Copeland family also flew to Colorado to their home in Steamboat Springs from time to time.⁷³

⁶⁶ Third Party Informant D

⁶⁷ Ibid

⁶⁸ Ibid

⁶⁹ Church Submission to Senate Finance Committee, December 6, 2007

⁷⁰ Third Party Informant D

⁷¹ Ibid

⁷² Ibid

⁷³ Ibid

In October of 2007, Brett Shipp with Dallas-based television station WFAA conducted an investigative report regarding the Copeland's personal use of the ministry jet⁷⁴. Based on Shipp's report, the Copelands traveled often to Steamboat Springs, CO, and took hunting trips to southern Texas. The report also showed the Copelands taking extended stays in Hawaii while traveling across the Pacific.⁷⁵ Copeland originally told donors that then 20 million dollar jet would only be used for EMIC/KCM business. However, in the response to the Committee, the church acknowledged that there was some personal use of the ministry jet but the Church did not provide any details.⁷⁶

The Church provided an "Event Itinerary" for years 2003 through 2007.⁷⁷ A review of the FAA flight records for several planes operated by Copeland shows Copeland makes frequent trips to his home state of Arkansas and to other locations such as Alabama, Oklahoma, Missouri and Colorado. It would be difficult to determine which of these trips is ministry-related, based on the conventions, conferences and crusades noted on the "Event Itinerary."



(A EMIC/KCM jet – courtesy of Trinity Foundation, Inc.)

Possible Conversion of Other Assets

On the August 4, 2006, broadcast of Copeland's Believer's Voice of Victory, Copeland acknowledges that he has no utility bills and that he has his own electrical power plant that runs on the gas that comes from his own ground and that he owns water wells, a purification plant, and a sewage plant, all located on his property. Copeland goes on to say that if no money came into the ministry,

⁷⁴ Brett Shipp, "Jet flight records spur Copeland ministry questions" www.wfaa.com

⁷⁵ Ibid

⁷⁶ Church Submission to Senate Finance Committee, December 6, 2007

⁷⁷ Ibid

he would not be in need because he has no debt.⁷⁸ Since Copeland resides on land that belongs to EMIC/KCM, it is difficult to understand his claim that all of these debt-free assets belong to him and not the Church.

Employment Agreements and Royalties

The Church did not provide the Committee with a copy of the employment agreements between the Copelands and EMIC. However, an employment agreement prepared for Gloria Copeland and EMIC was included in the *Religious Conversion* report provided to the Committee by Trinity Foundation.⁷⁹ Under this agreement, "Eagle Mountain International Church, Inc., a Texas corporation doing business as Kenneth Copeland Ministries" would:

- Employ Gloria Copeland for a period of twenty years beginning January 1, 2002 to December 31, 2021.
- Give Gloria an option to extend the contract for an additional 10 years following the initial 20 years.
- Permit Gloria to be a paid consultant once she retired.
- Permit Gloria to retain the title and duties of Executive Vice President as long as she desires.
- Permit Gloria to secure any personnel needed to fulfill her responsibilities at the expense of EMIC
- Agree that Gloria's "works of authorship" such as sermons, books, pamphlets, lectures, articles and speeches created prior to and during the term of the employment agreement belong to Gloria.
- Require EMIC to pay Gloria an annual salary that is comparable to the compensation of other ministers, secular executives, performers and personalities whose ministries and/or businesses and/or professional activities and production are of similar scope. The amount of the salary shall be determined annually by the Independent Compensation subcommittee of the Board of EMIC.
- Permit Gloria to, at her sole discretion, to defer or otherwise direct all or any part of her compensation to take advantage of any tax benefits.
- Entitle Gloria to eight weeks of paid vacation, which can be accrued and added to in subsequent years. Gloria can also receive cash payment in an amount equal to the amount of her annual salary attributable to that time.
- Require EMIC to honor any reasonable sabbatical request made by Gloria.
- Require EMIC provide to Copeland with the use of an automobile of Gloria's selection including make, model and options and be responsible for all operating expenses including fuel.
- Require EMIC to procure and maintain an automobile insurance policy including full coverage, with coverage including Gloria, with policy limits in

⁷⁸ Third Party Informant E, DVD

⁷⁹ Trinity Foundation Inc., "Religious Conversion"

the amount of at least one million dollars for bodily injury or death to any person and any one accident.

- Require EMIC to pay Gloria an annual ministerial housing allowance to be determined by the Independent Compensation Committee or provide Gloria with a parsonage.
- Require EMIC to pay business expenses “reasonably incurred” by Gloria in promoting the business of EMIC, including expenditures for entertainment, gifts, and travel. EMIC is to provide Gloria with a credit card for these expenditures.
- Require EMIC to continue to pay Gloria under the terms of the agreement unless she is unable to perform 51% of her duties for 12 consecutive months. If this happens EMIC, if it elects, may reduce her salary in an amount not more than 49% of the salary in effect.

Published Works

According to the Church response, Kenneth “Copeland has retained the ownership of his works but has granted the Church a perpetual license to use these works in exchange for a market-based royalty.” The Church subsequently stated in its response to the Committee that “the Church records, produces, and distributes a large portion of its own media and internet products. In this regard, the Church has full-time, paid personnel devoted to the production of the Church’s television programming.” In addition, the Church provided a list of third party vendors that print and make audio and video recordings of the Copeland’s materials.⁸⁰ Insiders state that Kenneth Copeland starred in a series called “The Adventures of Wichita Slim” for which he also received royalties and that Copeland’s daughter Kelli also received royalties for movie and/music productions she participated in called “Superkids.”

It should be noted that other employees that were part of these productions were required to sign waivers and paid a one time stipend for their participation instead of receiving royalties, like those received by Copeland and his daughter, Kelli (Copeland) Kutz.⁸¹ One insider recalled seeing a check written to Kelli. Although the insider could not recall the exact amount she indicated it was somewhere close to \$20,000.⁸²

Use of Donor Funds

EMIC/KCM solicited donations through brochures to ministry partners to build the “Revival Capital of the World.” The project was to include ministry facilities, a headquarters, a resort hotel, a radio and television center, a kingdom park and a retirement community called Wisdom Heights. To date, several of the proposed projects for which donors contributed have not been constructed.⁸³ In its response to the Committee regarding the status of the project and the status of the donations received, the Church stated that it used these donations and

⁸⁰ Church Submission to Senate Finance Committee, December 6, 2007

⁸¹ Third Party Informant B

⁸² Third Party Informant D

⁸³ Third Party Informant F

others to build a sanctuary, a worship center, a chapel, a parsonage, class rooms, administrative offices, a prayer call center and media development services facilities.

The Church also noted that there is no relationship between the "Revival Capital of the World" and the land being used by John Copeland's company, El Rancho Fe.⁸⁴ Based on information the Committee received, the Church led donors to believe they were building a retirement community. However, to date, a retirement community has not been constructed.⁸⁵ When one donor contacted the Church regarding the disposition of the donor funds given for this particular project, the Church denied the donor's request for a written accounting of how the donations were used.⁸⁶

An insider also stated that at one point, a special fund was set up to buy a piano for George Pearsons, pastor of EMIC who is also Kenneth Copeland's son-in-law. Donations that were given to the Church were put in a separate fund and that money was used to buy the piano.

Another insider stated the following: "Ministries tied to Kenneth Copeland often exchanged checks between one another. For example, Copeland's ministry received a check for \$50,000 and turned around and wrote a high dollar check to the same ministry. The employee specifically recalled this 'reciprocation' between Copeland and Creflo Dollar but noted there were others."⁸⁷ The employee also stated that when Copeland sent a check to a ministry and that ministry failed to reciprocate, Copeland would no longer send them checks. The same employee told Trinity Foundation that it was explained to the employee that giving in this manner was part of the partner relationship KCM had with other ministries.

Collections at International Locations

In its response to the Committee, the Church states that funds that are collected internationally stay at the international location and the amounts collected are deposited at a local financial institution which notifies KCM of the deposited amount. KCM's accountant then verifies these amounts.⁸⁸ However, EMIC/KCM conducted conventions in Singapore, Fiji and Nigeria and EMIC/KCM does not have offices in these locations. Since no further details were provided to the Committee by the Church, no definitive statement can be made as to the ultimate disposition of these donations.

Layover Trips

⁸⁴ Church Submission to Senate Finance Committee, December 6, 2007

⁸⁵ Third Party Informant F

⁸⁶ Third Party Informant F

⁸⁷ Third Party Informant D

⁸⁸ Church Submission to Senate Finance Committee, December 6, 2007

In response to the request for a detailed accounting of the costs for specific layover trips, EMIC/KCM did not provide any documentation and any figures related to the costs of these layovers. However EMIC/KCM stated that the Church participates in a number of international meetings, conferences and conventions. The Board approves an annual budget for these events but the actual destinations are determined by the pastors based on annual spiritual needs and goals. Also, the Fiji Island trip was a scheduled event and the layovers in Maui and Honolulu were part of the trips to Australia and Fiji Islands. In addition, the Church noted that these layovers were needed to allow pilots an appropriate opportunity to rest before and after ministry events.⁸⁹

However, according to flight records, the Copelands left California on 9/28/06 for Hawaii and stayed in Hawaii for a two day layover when there were no events noted in the itineraries provided.⁹⁰ On the return trip the Copelands once again stayed in Hawaii for three nights before returning to Texas.⁹¹

EMIC/KCM stated the trip to John Hagee's La Fonda ranch was a Church-sponsored trip for some Church members. The aircraft originally flown to the ranch had unforeseeable damage so the Church's jet had to be used to rescue members due to the "distressing nature of the situation." In response to questions about the trips to Colorado, EMIC/KCM stated that these were indeed personal trips but that the Copeland's reimbursed EMIC/KCM.⁹² However, EMIC/KCM did not provide any documentation to the Committee as evidence of this reimbursement.

In addition, as previously stated in this report, Copeland promised donors who gave millions for the purchase of this jet that the jet would only be used for "Glory of God."⁹³ Also, an insider stated the aircraft was often used by John Copeland and other ministry employees for personal hunting trips and the afore-mentioned trip was not an isolated incident.⁹⁴

\$2.1 Million gift to Copeland

In response to the Committee question regarding the \$2.1 million gift to Copeland, EMIC/KCM provided the following statement. "The referenced event was not a Church event, but rather an informal effort of ministers and supporters of the Copelands' ministry to honor the Copelands with a gift on the 40th anniversary of their time in ministry and in honor of the Rev. Kenneth Copeland's 70th birthday. The Copelands received personal gifts or payments of less than \$2 million. In any case where it was unclear whether the gift was to the Copelands or the Church, the gift was treated as a donation to the Church."⁹⁵ However, in a statement provided to the Committee from one of Copeland's former partners

⁸⁹ Ibid

⁹⁰ Brett Shipp, "Jet flight records spur Copeland ministry questions" www.wfaa.com

⁹¹ Ibid

⁹² Church Submission to Senate Finance Committee, December 6, 2007

⁹³ Brett Shipp, "Jet flight records spur Copeland ministry questions" www.wfaa.com

⁹⁴ Third Party Informant D

⁹⁵ Church Submission to Senate Finance Committee, December 6, 2007

who attended this gathering, the invitation to this event and sequence of subsequent events was as follows:

"I did receive that same solicitation letter to raise money for the Copelands personally, for their 40th Anniversary in "ministry." To be sure, we wish we still had a copy (it was on high-quality parchment paper, with foil-embossed letterhead from Creflo Dollar's church, but inside of a KCM envelope); but we were so disgusted by the thing we actually threw our copy away the day we received it (again, we wish we had held onto that in retrospect).

Regarding the DVD: I am not aware of a DVD mailed to the donors in an effort to raise the money beforehand. However, the DVD of the actual 2007 Minister's Conference "service" in which the last portions of those moneys were raised was made available to those ministers in attendance. Unfortunately, it was edited before duplication, and the version mailed to the recipients omits that part of the "service" completely. However, again, I was there...

John Copeland, Creflo Dollar, and Jesse Duplantis of New Orleans, Louisiana, announced their "gift" and presented Kenneth & Gloria a giant cardboard check for the total received up to that date. However, they then said they were trying to surpass a higher financial goal of \$2mil, and wanted to give the ministers present (and the ministries they represented) a chance to add to the total then represented on the check. They brought in two KCM employees with credit card terminals, and began taking not only check and cash contributions, but also credit/debit card transactions towards the same IN THE SANCTUARY ITSELF while the band played music. The transactions were done through KCM processes and were performed by KCM employees, but it was plain that it was to be personally given to the Copelands. They made periodic "update" announcements from the platform of the running total, but I believe it was about 90-minutes or more later before they announced they had concluded the "offering" and continued the rest of the "40th Anniversary" service from there.

Again, those portions of the video from the 2007 Minister's Conference service in question were omitted in all copies subsequently distributed to those who purchased DVD sets of the conference."⁹⁶

According to another insider, EMIC/KCM gave private donor information to Creflo Dollar Ministries to use to solicit donations for the above-mentioned event.⁹⁷ However, EMIC/KCM did not provide the requested donor information to the Committee citing donor privacy.

⁹⁶ Rich Vermillion, former Kenneth Copeland ministry partner

⁹⁷ Third Party Informant D"

This donor information provided to Creflo Dollar Ministries was subsequently used by Creflo Dollar Ministries to solicit private donations to be used as a personal gift for Kenneth and Gloria Copeland.⁹⁸ This sharing of private donor information was a violation of EMIC/KCM's donor privacy policy.⁹⁹ In addition, an insider informed the Committee that Creflo Dollar Ministries had complete authority and responsibility over the receipt of the funds for this event and that any checks that were sent to EMIC/KCM for this event were redirected to Creflo Dollar Ministries.¹⁰⁰

An insider gave this accounting of the event:

"This was not only a 40th Anniversary Party but it was also to celebrate Kenneth's 70th birthday. It was a black tie event at the Four Seasons Hotel in Dallas. The criteria for getting invited was to have given a certain amount and upwards to KCM during the past year and/or to be a VIP of the ministry or of Kenneth and Gloria. Creflo Dollar and his ministry is the one who headed up this party with the blessing and participation of John Copeland. John allowed for Barry Tubbs' office to share these people's CONFIDENTIAL information to Creflo's ministry in order for Creflo's people to send out the invitations. The invitation was for the party as well as to give to the Copelands for these two special events. Creflo's goal was to raise 2 million dollars to present to the Copelands at the party. This money was for the Copeland's personally. Creflo did not receive the 2 million from the invitees so he put in about 1 million of his own money (or money from his ministry) to meet his goal. I believe the amount ended up being 2.1 million. At the party, people lined up giving their money to a person sitting at a table next to Kenneth and then there were people calling in their donations as well. I would be surprised if everyone that donated got credit for it being tax deductible."¹⁰¹

A former Copeland ministry partner provided the following statement regarding this same event.

"At the end of last summer...Creflo Dollar contacted him and John Copeland about doing something extra special to honor KC & GC at the end of the Minister's Conference and to make it a "surprise" for them. John flew out to Atlanta and met with Creflo and they decided to have a special honor for them on the final night of the Minister's Conference... This would be a "who's who" list of KCM dignitaries/counterparts in the ministry world plus on the guest list would be those who gave a certain amount and above of contributions to the Ministry. Well, the guest list was generated from the confidential mailing list of KCM without any person on that list's approval... John and Creflo named an amount and we printed

⁹⁸ Ibid

⁹⁹ Ibid

¹⁰⁰ Ibid

¹⁰¹ Ibid

out a computer generated list with certain criteria and gave that list to Creflo's people and they in turn, sent out invitations to those people/ministers/pastors that met that criteria. The invitation was inviting them to a special surprise dinner honoring KC/GC of 40 years in Ministry. Then it said they were trying to raise ONE MILLION DOLLARS to give them, personally, for their 40th Anniversary gift. Send in your RSVP along with your money to Creflo Dollar Ministries. I believe that close to TWO MILLION DOLLARS was given to them that night, with Creflo giving close to a million. This was a direct VIOLATION of the privacy policy and we had numerous complaints about it but like everything else, it just went away."¹⁰²

Although EMIC/KCM did not provide any information concerning the specific donors that gave funds toward the gift for the Copeland, Committee staff obtained information concerning the ministers and/or ministries that had jets parked at Kenneth Copeland Airport during that timeframe.¹⁰³ They are as follows:

N1GM--Victory Christian Ministries International, Clinton, MD Tony & Cynthia Brazelton
N700VC--Agape Church, Little Rock Arkansas, Rev. Happy Caldwell
N711PC--Word of Faith Christian Center, Lear jet, Southfield MI, Bishop Keith Butler
N501SS--Dove Air, Inc., Ashville, NC
N225BJ--Word of Faith Christian Center, Southfield MI, (Another Bishop Keith Butler jet)
N888HS-- Glorious Church Fellowship, Branson, MO, Televangelist Billye Brim,
N700MH--James "Mac" Hammond, Plymouth, MN,
N61KM-- Faith Life Church, Branson, MO, Televangelist Keith Moore,
N103CD--Creflo Dollar's Gulfstream II jet, Atlanta, GA
N685SF--Spirit of Faith Christian Center, Temple Hills, Maryland, Gulfstream II jet Drs. Shine & Dee Dee Freeman
N333CJ--Canaan Land Church, Autaugaville, AL, Mac Gober

A reporter with the Arkansas Gazette attended the church of Copeland's friend, Happy Caldwell, on the Sunday following this ministry event. As previously noted, Caldwell was one of Copeland's friends who flew in on a Cessna 500 owned by his church. After attending the service, the reporter wrote the following:

*"What do you give a televangelist who has everything?
If the evangelist is Kenneth Copeland and it's his 70th birthday, you give him one of those oversized cardboard checks -- with a seven-digit dollar figure.*

¹⁰² Rich Vermillion, former KCM Partner "Titled per www.kennethcopelandblog.com"

¹⁰³ Trinity Foundation Inc., "Religious Conversion"

Happy Caldwell, pastor of Little Rock's Agape Church, said fellow evangelists chipped in \$2.1 million and presented Copeland with the gift on Thursday night in Texas. Caldwell told the story during this morning's service, moments before collecting an offering. An audible gasp went up when Caldwell revealed the size of the present. Caldwell didn't say how much Agape Church had kicked in. Kenneth Copeland and his wife Gloria were apparently delighted with the outpouring. "They were speechless," Caldwell said. "That's about a million dollars apiece."

Copeland's son spearheaded the fundraising gift. Caldwell said Copeland deserves the money because he's been generous with the millions he receives in tax-deductible contributions. "When you're a heroic giver, eventually you're going to be a heroic receiver."¹⁰⁴

Miscellaneous Tax Issues-Social Security and Unemployment

Under current tax law wages paid to employees of churches or religious organizations are subject to Federal Insurance Contribution Act (FICA) taxes unless one of the following exceptions apply:

- Wages are paid for services performed by a duly ordained, commissioned or licensed minister of the church in exercise of his or her ministry
- The church or religious organization pays the employee wages of less than \$108.25 in a calendar year or
- The church is opposed to the payment of Social Security and Medicare taxes.
- In addition, churches and religious organizations are not liable for Federal Unemployment Tax Act (FUTA) tax.

Several insiders contacted the Committee and stated that EMIC/KCM required them to sign papers saying they will never attempt to collect unemployment. The employees were not aware that the Church was not required to pay FUTA. Employees also indicated that they were not aware that the Church opposed the payment of Social Security and Medicare and that because of this they were not responsible for paying all of their Social Security. Instead EMIC/KCM told employees that it was the IRS's fault that they had to pay all of their social security and that is why their taxes were so high.¹⁰⁵

¹⁰⁴ Trinity Foundation Inc., "Religious Conversion"

¹⁰⁵ Third Party Informant B, Third Party Informant D

**Senate Finance Committee, Minority Staff Review of
World Changers Church International (WCCI)
(Creflo and Taffi Dollar)
(Prepared by Lynda F. Simmons)**

Introduction

According to the Georgia Secretary of State records, WCCI was incorporated effective December 30, 1994. At the date of incorporation, Creflo Dollar, Taffi Dollar and Kenneth Haynes were directors. As of 08/01/08, Creflo Dollar was the Chief Executive Officer, and Taffi Dollar was the Chief Financial Officer and the Secretary. As of December 2010, Jeremy Dollar (Creflo Dollar's son) is listed as the registered agent, Creflo A. Dollar is listed as the CEO, Chandra Winford is listed as the CFO and Taffi Dollar is listed as the Secretary.

Despite repeated communications with WCCI and their attorneys, WCCI did not provide responses to any of the questions and was, therefore, the least cooperative. Written communications between WCCI and Senator Grassley and WCCI's attorneys and Committee staff are attached to this review. After confirming that WCCI did not intend to respond to the Committee's inquiry, Committee staff ceased communicating with WCCI and its attorneys and began obtaining information from public records and third parties.

Governance & Organizational Structure

Officers, Directors, Trustees, and Key Employees

To date, Committee staff has been unable to determine the names of WCCI's board members. We have determined that Dollar's wife, Taffi, is an officer on several of the corporations established by Dollar, according to Georgia Secretary of State records. Another key person in the organization was Michael Orion Carter, Dollar's former chief of staff.

In prior years, the Dollars gave Carter power of attorney to sign on their behalf as it relates to the property located at 4695 Hamden Forest, Atlanta, GA.¹ This property is currently owned by the Dollars but was previously owned by WCCI. Another example of Dollar's close relationship with Carter is detailed in the following real estate transaction. On July 18, 1996, a donor quitclaimed the property to Creflo and Taffi Dollar for \$0.² The quitclaim deed filed with Dawson County indicates it was a gift. On 03/31/2000, Creflo and Taffi Dollar gifted the property to Michael O. Carter and Breccia M. Carter.³

¹ Power of Attorney, Fulton County, Deed Book 36464, pg. 699

² Quit Claim Deed, Dawson County, Deed Book 221, pg. 466

³ Quit Claim Deed, Dawson County, Deed Book 338, pg. 233 <www.gsccca.org>

Carter is also noted as the executive administrator of WCCI, Inc. on the deed to secure debt dated 5/14/04⁴ where WCCI agrees to pay Wachovia \$3.3 million for the Sandy Creek property and on the general warranty deed executed on 11/24/04 where the WCCI conveys the same property back to the Dollars for \$2,065,000.⁵

As reported by Christian News Wire, in March of 2010 Carter was "commissioned by Creflo to step into full-time ministry through the launching of his own evangelistic organization, Michael Orion Carter Ministries." The article states that Carter worked on Creflo's staff for 15 years.

As of December 2010, according to the WCCI website, Kurt Newtown is listed as Director of Operations. There is no chief of staff position noted.

Related Entities

Creflo Dollars Ministries

As of August 2008 a search of the Georgia Secretary of State records indicates there is no legal entity by the name of Creflo Dollar Ministries. However, the Church's website links to a website titled Creflo Dollar Ministries.

New Change Early Learning Center

As of August 2008 a search of the Georgia Secretary of State records indicates there is no legal entity by the name of New Change Early Learning Center. However, according to the Church's website, WCCI operates an entity by this name.

World Changers Ministries, Inc./World Changers Ministry Christian Center

According to the Georgia Secretary of State records, World Changers Ministry Christian Center Inc. was created on 7/7/1986. On February 28, 2004, a Certificate of Name Change Amendment was filed with the Georgia Secretary of State changing the name of World Changers Christian Center to World Changers Christian Ministries, Inc. As of 8/11/2008, Creflo Dollar is listed as the CEO, Taffi Dollar is listed as the CFO and Michael O. Carter is the registered agent. This entity was dissolved on 4/1/2010.

World Changers Christian Academy, Inc.

According to the Georgia Secretary of State records, World Changers Christian Academy is organization that was incorporated on 08/05/2004. At inception the directors were James Boyd, Ann Terry and Jade Bolton (Jade may be a relative of Taffi "Bolton" Dollar.). As of 1/02/08 Michael O. Carter, Dollar's former chief of staff, is the registered agent and Secretary. Taffi Dollar is the CEO and Mae Gilley is the CFO. This entity was dissolved on 4/1/2010.

⁴ Deed to Secure Debt, Assignment of Rents and Security Agreement, Fayette County, Deed Book 2512, pg. 586

⁵ General Warranty Deed, Fayette County, Deed Book 2652, pg. 712

International Covenant Ministries a/k/a ICM

According to the Georgia Secretary of the State records, ICM is a organization that was incorporated on 12/27/97. The registered office of the corporation is 2500 Burdette Road, College Park, Georgia 30349 and the registered agent is Adrienne Thomas. The following is a list of the board of directors: Creflo Dollar, Markus Bishop⁶, Gregory Powe, Rick Layton, George M. Matthews II, Tony Brazelton, Gary K. Taylor, Sr. and Darneal F. Johnson, III. This entity was dissolved on 5/16/2008.

Project Change International Incorporated f/k/a Changing Your World, Inc.

According to the Georgia Secretary of the State records, Changing Your World Inc. is a organization that was incorporated on 11/23/1998. At inception, the board of directors consisted of Creflo Dollar, Taffi Dollar and Kenneth Haynes. Haynes is also listed as the registered agent. This corporation is currently operating as Project Change International, Inc. As of 8/4/2008, Creflo Dollar is the CEO, Taffi Dollar is the CFO and Michael T. Smith is the Secretary. The entity was dissolved on 7/9/2005.

Based on a search of GuideStar.org, there are no published filings of the Form 990, Return of Organization Exempt from Income Tax, for the above-noted entities.

Arrow Records, LLC

According to the Georgia Secretary of the State records, Arrow Records is a limited liability company established on 6/21/2002. The LLC was organized by Pamela A. McLellan and Taffi Dollar is the registered agent. The initial members were Creflo Dollar and Taffi Dollar. The address for the company is 2500 Burdett Road, Atlanta GA. This is the same as the physical address for WCCI.

Music That Pierces the Heart Publishing, LLC

According to the Georgia Secretary of the State records, Music That Pierces the Heart Publishing LLC, is a limited liability company that was created on 04/23/2004. The registered office is 5917 Old National Highway, College Park, Georgia, a building owned by World Changers Church International.

Restoring Music Publishing, LLC

According to the Georgia Secretary of State records, Restoring Music Publishing LLC, is a limited liability corporation that was created on 04/23/2004. The registered office is 5917 Old National Highway, College Park, Georgia, a building owned by World Changers Church International.

Creflo Dollar Enterprises, LLC f/k/a CAD Productions, LLC

⁶ Markus Bishop and his former wife Scarlett serve on the Board of Directors for two entities, Victory Eagle Marketing and Distribution Z and Victory Eagle Utility Service Y, associated with Eagle Mountain International Church d/b/a Kenneth Copeland Ministries. Markus is also listed on the Board of Directors for Security Petrol, Inc., a for profit associated with Eagle Mountain International Church d/b/a Kenneth Copeland Ministries.

According to the Georgia Secretary of State records, CAD Productions is a limited liability company created 5/25/2005. The registered office of the company is 2500 Burdette Road, College Park, Georgia 30349, the same address as World Changers Church International. The registered agent was Michael O. Carter, who was also Dollar's chief of staff. As of December 2010, the registered agent is Jeremy Dollar. The LLC is currently operated as Creflo Dollar Enterprises.

World Flight, LLC

According to the Georgia Secretary of State records, World Flight, LLC is a limited liability company created on 4/26/2010. The registered office of the company is 2500 Burdett Road, College Park, Georgia 30349, the same address as World Changers Church International. Jeremy Dollar is listed as the registered agent.

World Heir, Inc.

According to the Georgia Secretary of the State records, World Heir Inc. is a for-profit corporation created 5/13/1999. The registered office of the corporation is World Changers Ministries, 2500 Burdette Road, College Park, Georgia 30349. At inception, the board of directors consisted of Creflo Dollar, Taffi Dollar and Kenneth Haynes. The registered agent is Kenneth Haynes.

Satellite Churches (from WCCI website)

As of December 2010, the WCCI has satellite churches in the following cities: Brooklyn New York, Carrollton GA, Cleveland OH, Dallas TX, Houston TX, Indianapolis IN, Los Angeles CA, Macon GA, Marietta GA, Norcross GA, Queens NY and Washington DC.

Compensation

Salaries

To date, Committee staff has been unable to locate any published reports of the executive compensation received by Creflo and Taffi Dollar. The Church did not provide this information to the Committee as requested. However, Dollar has made statements to the media regarding his salary, although the statements are conflicting.

In an interview with the NY Times published 1/15/06, Dollar states that his salary is set by a compensation board at the WCCI-Georgia campus but Dollar declined to reveal his salary to the reporter.⁷ Ten months later in a television interview

⁷ "Preaching a Gospel of Wealth in a Glittery Market, New York" January 15, 2006, <www.nytimes.com>

with Art Franklin of WAGA-TV in Atlanta, Dollar told Franklin that he stopped taking a salary from WCCI approximately 2 years prior (2004).⁸

On 1/15/2008 in an interview with Bob Makin, Dollar stated that he does not draw a salary.⁹

Gifts

In a New York Times article dated January 15, 2006, Dollar acknowledged that at that time he had two Rolls Royce that were gifts from his congregants and that he would never spend that much money on a Rolls Royce.¹⁰ According to Kelly's Blue Book, the average price of a brand new 2008 Rolls Royce is \$385,000 to \$412,000.

Parsonage (See Real Estate Transactions noted later in the report)

In a New York Times article dated January 15, 2006, Dollar stated that the church owned a million dollar mansion that he and his wife lived in.¹¹ Based on the state of Georgia real estate records, as of January 15, 2006, the Dollars owned two million dollar mansions. The Dollars owned 4695 Hamden Forest Trail in Atlanta and 1811 Sandy Creek in Fayetteville. According to Fulton county real estate records, the property at 4695 Hamden Forest Trail, Atlanta, Georgia was conveyed to the Dollars from WCCI in 2000.¹² Committee staff was unable to determine if any consideration was paid by the Dollars to WCCI at the time this conveyance. Based on Fulton County real property records, from the date of this conveyance in July of 2000 until October of 2003, there were no mortgages on this property.

According to Fayette County real estate records, the second property located at 1811 Sandy Creek, Fayetteville, Georgia, was conveyed to the Dollars from WCCI in 2004.¹³ On the date of this conveyance, the Dollars executed a note to pay WCCI \$2,065,000.

Therefore, the Dollars had ownership in both properties in 2006. This seems to contradict the statement made by Dollar indicating that WCCI owned a million dollar mansion where he resides, although WCCI held the note for the Sandy Creek mansion until 2004. Dollar also had access as of 2007, to a luxury Manhattan apartment as reported in a 2007 CNN news article.¹⁴

Vehicle Allowance

⁸ Trinity Foundation Inc., "Religious Conversion"

⁹ "Dollar helping to define life's worth, Pastor preaches that money alone doesn't determine prosperity" January 11, 2008, <www.c-n.com>

¹⁰ "Preaching a Gospel of Wealth in a Glittery Market, New York" January 15, 2006, <www.nytimes.com>

¹¹ Ibid

¹² Warranty Deed, Fulton County, Deed Book 36084, pg. 438

¹³ General Warranty Deed, Fayette County, Deed Book 2652, pg. 712

¹⁴ Carol Costello, "Televangelist refuses to turn over more financial records" <www.cnn.com>

It was reported to the Committee by a third party informant that Dollar and his wife were each given a Rolls Royce by WCCI. The Church did not provide any information regarding these vehicles and Creflo denied in several news reports that he had two Rolls Royces. In an interview with CBS News dated November 7, 2007, Dollar stated the following in reference to the Rolls Royces, "That's not true. First of all, we don't have two Rolls-Royces," he said. "And secondly, the one Rolls-Royce that was purchased was purchased by the donors, or the members of the church, and it was a surprise to me. I had no idea they were doing it."¹⁵

On November 6, 2007, Dollar told WSB-TV Channel 2 that his Rolls Royces belong to the church.¹⁶ This would indicate that there was more than one Rolls Royce as stated in the original Grassley letter sent to WCCI on November 6, 2007. In a 2004 article written in The New Yorker the following is stated, "One of the ministry's biggest selling points is Dollar's glamorous life style. He wears custom-tailored suits and travels in Rolls-Royces and private airplanes." Once again this would indicate that at one time Dollar owned or had access to more than one Rolls-Royce.¹⁷

¹⁵ "Televangelist Defends Spending" <www.cbsnews.com>

¹⁶ "Creflo Dollar, Eddie Long Defend Big-Spending Ministries" <www.wsbtv.com>

¹⁷ Kelefa Sanneh, Letter from Atlanta, "Pray and Grow Rich" <www.newyorker.com>

Finances

Audited Financial Statements

To date, there is no published record of the organization's audited financial statements and the organization does not provide financial statements on its website. However, in several published news reports, Dollar and organization officials have provided the media with a budget figure and/or the amount of contributions received in a specific year. These figures are noted in the table below:

Date	Source	Tax Year	Amount	Note	
05/2005	C. Dollar	2004	\$70,000,000	contributions	Business Week ¹⁸
01/2006	Church official	2005	\$80,000,000	'06 budget	NY Times ¹⁹
11/2007	Church official	2006	\$69,000,000	contributions	Atlanta Journal Constitution ²⁰

The \$80 million noted by the New York Times was for the Atlanta organization's operation. As stated in the article, this figure does not include the \$345,000 collected each month from the Madison Square Garden congregation, which works out to \$4 million annually.²¹ According to the same New York Times article, Dollar began flying up from Atlanta to New York to preach at Saturday night services in the theater at Madison Square Garden sometime near the beginning of January 2005. However, according to the organization's website (www.worldchangers.org), the organization has satellite organizations in many locations across the country; two of the satellite organizations are located in Brooklyn, NY, and Queens, NY.²² To determine the location of the satellite organizations you have to follow a link on the WCCI's website that takes you to Creflo Dollar Ministries

(<http://www.creflodollarministries.org/SatelliteChurches/SatelliteChurches.html>).

Based on this information, it is possible that the Madison Square Garden congregation no longer meets at that location.

After the initiation of the Senate investigation, the organization released the \$69 million figure noted in the Atlanta Journal Constitution article. This reflects the contributions donated at the Atlanta organization.

¹⁸ "Church of the Mighty Dollar" May 23, 2005, <www.businessweek.com>

¹⁹ "Preaching a Gospel of Wealth in a Glittery Market, New York" January 15, 2006, <www.nytimes.com>

²⁰ "Figures released by megachurch" November 11, 2007, <www.ajc.com>

²¹ "Preaching a Gospel of Wealth in a Glittery Market, New York" January 15, 2006, <www.nytimes.com>

²² www.worldchangers.org

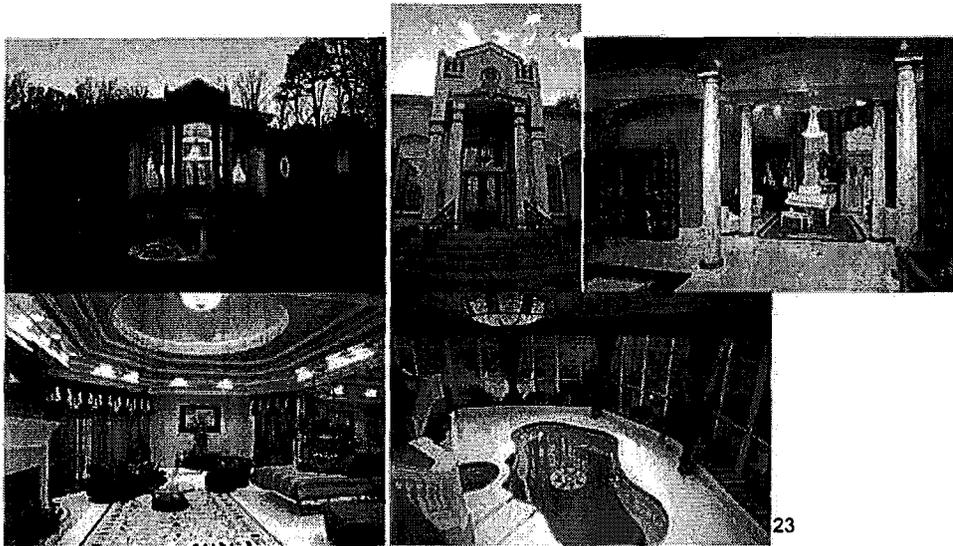
Real and Personal Assets

Hamden Forest Property (Fulton County Property Records)

According to Fulton County property records, Creflo and Taffi Dollar purchased the residence at 4695 Hamden Forest, Atlanta, GA, on August 21, 1996. (Deed Book 21545 pg. 258) On 4/24/98 Creflo and Taffi Dollar executed a quitclaim deed to convey this real property to World Changers Church International, Inc (WCCI) for \$0. A quitclaim deed means any debt associated with the property would now become the responsibility of WCCI. This document was prepared on 4/24/1998; however, it was not filed until 9/18/1998. (Deed Book 25247, pg. 23) On August 31, 1998, the loan to NationsBank associated with the property was paid off. (DB 25233-pg. 070 and DB 21545-pg.270). Committee staff is unable to determine if the Dollars paid off the loan to NationsBank or if WCCI paid of the loan.

On July 1, 2000, WCCI executed a warranty deed conveying the property back to Creflo and Taffi Dollar free of any encumbrances for \$0. (Deed Book 36084, pg. 438) Committee staff is unable to determine if the Dollars paid WCCI any consideration for the property. At the time of the conveyance, there were no encumbrances filed in Fulton County that are associated with this property. On October 17, 2003, the Dollars borrowed \$1, 009,000 from Branch Banking and Trust Company (BB&T) using this property as collateral. According to the note, BB&T advanced Dollar \$1 million which was due on 1/20/04 (three months later). (Deed Book 36465, pg. 1) On August 6, 2004, the Dollars borrowed \$603,475.00 from Wachovia Bank using this same property as collateral. The due date on this note was 09/05/04. (Deed Book 36348 pg. 622)

The following are pictures of the Hamden Forest property:



In a 2006 interview with WAGA-TV in Atlanta, Creflo Dollar stated this residence was for sale for approximately \$3 million. However, in 2008 the Dollars were attempting to sell the property for \$1,990,000 through America's Network Realty Group.²⁴ According to www.realtor.com, this property is for sale and listed for \$1,395,000 as of January 3, 2011. If the Dollars purchased this property and the organization paid for it and subsequently gave it back to the Dollars, the Dollars stand to make a substantial gain on the sale of this property.

Sandy Creek Property (Fayette County Property Records)

According to Fayette County property records, on Dec. 2, 1999, Creflo and Taffi Dollar executed a warranty deed for lots 78 and 83 in District 7 for \$1.1 million. On this same date, Creflo and Taffi Dollar quitclaimed these same lots to WCCI for \$0.00. There is no way to determine if there was any consideration paid by WCCI as it relates to this conveyance of this real property. (Note: A corrective quitclaim deed was filed on May 4, 2004, (effective date Dec. 2, 1999) to correct the spelling of the grantee's name.)

On May 14, 2004, a deed to secure debt, assignment of rents and security agreement was executed between WCCI and Wachovia Bank. As stated in the deed, "The purpose of the deed is to cover goods which are or are to become fixtures on the real property described." This includes all real property shown in Exhibit A, (Lots 78 and 83), all buildings and improvements, furniture and fixtures and rents, etc. On page 2 of this deed it lists the following outstanding debt incurred by WCCI- (a) A note for \$2,848,000. (b) A note for \$535,000. This is a total of \$3,383,000.

²³ www.realtor.com

²⁴ *Ibid*

(Note: A corrected quitclaim deed was filed on August 6, 2004, (effective date Dec. 2, 1999) to correct the name of the Grantee and to correct typographical errors.)

On August 9, 2004, a warranty deed was executed between WCCI and Creflo and Taffi Dollar. WCCI conveyed this property to the Dollars with the Dollars executing a note agreeing to pay WCCI \$2,065,000. This is \$1.3 million less than the \$3.38 million in debt WCCI incurred three months earlier on May 14, 2004.

On June 13, 2005, an "amended and restated deed to secure debt, assignment or rents and security agreement" was filed which included the Dollars on the note for \$2.9 million executed between the organization and Wachovia Bank.

Aircraft

It appears from FAA records that Dollar's primary means of travel is a 1984 GulfStream jet (N103CD). This jet is owned by the for-profit corporation, World Heir, Inc. (see *Related Entities* above) of which Creflo Dollar is the CEO and Taffi Dollar is CFO and Secretary.

Ownership History of N103CD (Gulfstream G1159A, Serial Number 418)

According to FAA records, Jet Fan Trading sold this jet to Triangle Aircraft Services, Dec. 15, 1986 (as N717TR). Triangle Aircraft Services sold the jet to Banco Credibanco S/A, Grand Cayman Island, Cayman Islands on September 30, 1994.

Deregistration of N717TR from the US and exported to Brazil, Oct. 3, 1994

Deregistration of N717TR from Brazil to the US, May 20, 1999

Marcep International Trade Finance Ltd sold the jet to Priority 1 Aviation May 20, 1999,

Priority 1 Aviation, Inc sold the jet to World Heir, May 20, 1999.

Creflo Dollar also traveled in a 1973 Lear jet (N65A). According to FAA records, this jet is owned by World Changers Ministries.²⁵ Again, the CEO is Creflo Dollar and the CFO and Secretary is his wife, Taffi.

Ownership History of N65A (Learjet 25B, Serial Number 134)

According to FAA records, Zaire Jet, Inc sold this jet to Global Jet, Inc, on December 30, 1994. Global Jet sold it to World Changers Ministries, March 3, 1995. As of 2008, FAA records indicate the registered owner as World Changers Church International.

According to FAA records, a third jet was owned by WCCI. This is a 1969 Gulfstream II (N102AB).

Ownership History of N104VV, a/k/a N104CD, a/k/a N102AB (G1159, Serial Number 53):

²⁵ This entity was dissolved on 4/1/2010. See Related Entities noted in this review.

According to FAA records, The Jet Place sold this jet to World Changers Church International, in October of 1997 (as N102AB). World Changers sold it to Kingdom Harvest Ministries, Inc. (Bishop Clarence McClendon) in February of 2000. In April of 2001, Kingdom Harvest Ministries, Inc. sold the jet back to World Heir, Inc. On April 10, 2001 (becomes N104CD) World Heir, Inc. sold the jet to Eagle Mountain International Church d/b/a Kenneth Copeland Ministries.

According to FAA records, a fourth jet, a Sabreliner 60 was owned by World Heir Inc. for approximately two months before it was sold.

Ownership History of Sabreliner 60

According to FAA records, on February 13, 2003, Matthews Aviation, LLC (George W. Matthews, Jr.) sold the jet, a Rockwell International-NA-265-60 "Sabreliner 60", to Jet Crew's and Consulting, Inc. (170 Harbor Club Lane, Fayetteville, GA). That same day, February 13, 2003, Jet Crew's and Consulting, Inc sold the same jet to World Heir Inc., a Georgia for profit where Dollar serves as CEO.²⁶ The FAA bill of sale is signed by Gregory C. King as president of Jet Crew's and Consulting, Inc.

On April 7, 2003, World Heir sold the Sabreliner to Victory Christian Ministries International (Tony and Cynthia Brazleton, Suitland, MD). The FAA bill of sale is signed by Gregory C. King, as president of World Heir Inc. The address for World Heir that is noted on the bill of sale is the same address as WCCI, 2500 Burdett Rd, College Park, GA. Greg C. King apparently is the president of Jet Crew's and Consulting, Inc. and World Heir, Inc. Both of these companies are for-profit companies. In addition, King served as the Director of Aviation for WCCI. King signed as the Director of Aviation for WCCI on a warranty bill of sale in April of 2000.

In an interview dated 11/15/06 with WAGA-TV in Atlanta, the reporter stated that the Church purchased a jet for Creflo Dollar Ministries. In this same interview, Dollar indicates he uses this jet to fly to the church in New York since the commercial airlines don't fly his schedule. According to FAA records, this is the jet owned by the for-profit World Heir, Inc. Based on Dollar's statements, it appears the Church purchased the jet for Creflo Dollar Ministries, yet according to FAA records, this appears to be same jet that is owned by World Heir Inc, the for-profit that Dollar and his wife operate. FAA records indicate Dollar used both jets to fly to the Church in New York City.

According to the Fulton County Assessor's Office, if Dollar's flights originated out of Atlanta, World Heir, Inc. and World Changers Ministries should have filed aircraft personal property returns and paid the required tax. As of July 28, 2008, the only return on record was a 2007 return for World Changers Ministries and a 2007 return for World Heir, Inc. According to the assessor's office, there is no

²⁶ Georgia Secretary of State

exemption from filing and paying tax on aircraft for nonprofits. The 2007 assessor's value for the World Heir jet was \$6,565,120.00. The 2007 assessor's value for the World Changer's airplane was \$527,415.00.

Personal use of Aircraft

A review of FAA records in comparison to a compiled list provided to the Committee indicates there are some flights that could not be verified and need further explanation. These often appear as one day trips or trips to known vacation spots. Most of these trips were taken in the jet owned by Dollar's corporation, World Heir Inc.²⁷

7/4/04-7/07/04	St. Kitts -Nevis
7/10/04	Miami, FL
08/9/04-8/10/04	El Paso, TX
12/7/04-12/10/04	Las Vegas, NV
3/1/05-3/2/05	Sacramento, CA
3/28/05-3/30/05	Fernandina Beach, FL
06/2/05-06/3/05	Kenneth Copeland ranch
06/26/05-06/30/05	Las Vegas, NV
8/11/05-8/12/05	Fort Myers, FL
9/05/05-9/06/05	Washington, DC
09/29/05	Destin, FL
10/02/05	Destin, FL
03/21/05-03/22/05	Miami, FL
Unsure of date 4/06	Chicago, IL
04/20/06-04/23/06	Houston, TX
5/22/06-5/23/06	Jacksonville, FL
5/30/06-5/31/06	Fort Worth, TX
06/06/06-06/07/06	Kenneth Copeland Ranch
06/15/06-06/16/06	Tampa, FL
06/25/06-06/28/06	Las Vegas, NV
07/03/06-07/10/06	While at West Coast Believers went to Hawaii then stopped to Little Rock, AR (In Honolulu 7/6/06-7/09/06)
09/05/06-09/10/06	One of these days in Chicago, IL
09/27/06-09/28/06	Jacksonville, FL
10/26/06-10/27/06	Baltimore, MD
10/30/06-10/31/06	St. Louis, MO
11/7/06-11/08/06	Baltimore, MD
02/6/07-02/7/07	Azores Island
02/21/07	Jacksonville, FL
03/06/07-03/07/07	Seattle, WA
03/21/07	Nassau, Bahamas
04/02/07-04/05/07	North Myrtle Beach, SC

²⁷ Federal Aviation Administration

04/10/07-04/11/07 Jacksonville, FL
04/19/07-04/20/07 Baltimore, MD
05/14/07-05/18/07 Azores-Santa Maria Island
10/20/07-10/22/07 One of these days in Chicago
10/30/07-10/31/07 Montgomery, AL
11/14/07 Burbank, CA
11/15/07 Miami, FL

Personal Use of Other Assets

On 1/15/2008 in an interview with Bob Makin, Dollar stated that a contract was established with the Church that states he must give a percentage of his intellectual property to the church. Dollar also stated that his intellectual property is produced in part by several members of his nonprofit ministry and through many of the nonprofit's resources.²⁸

Gift from Creflo Dollar Ministries to Kenneth Copeland

Rich Vermillion is a former Kenneth Copeland partner.²⁹ Vermillion is no longer affiliated with Copeland because he believes Copeland used him to promote and solicit donations for the Angel Flight 44 ministry that Copeland never followed through on: Vermillion provided the following written testimony to Committee staff regarding Dollar's letter and DVD soliciting funds for the personal use of Kenneth and Gloria Copeland:

"I did receive that same solicitation letter to raise money for the Copelands personally, for their 40th Anniversary in "ministry." To be sure, we wish we still had a copy (it was on high-quality parchment paper, with foil-embossed letterhead from Creflo Dollar's church, but inside of a KCM envelope); but we were so disgusted by the thing we actually threw our copy away the day we received it (again, we wish we had held onto that in retrospect).

Regarding the DVD: I am not aware of a DVD mailed to the donors in an effort to raise the money beforehand. However, the DVD of the actual 2007 Minister's Conference "service" in which the last portions of those moneys were raised was made available to those ministers in attendance. Unfortunately, it was edited before duplication, and the version mailed to the recipients omits that part of the "service" completely. However, again, I was there...

²⁸ "Dollar helping to define life's worth, Pastor preaches that money alone doesn't determine prosperity" January 11, 2008, <www.c-n.com>

²⁹ www.kennethcopelandblog.com

John Copeland, Creflo Dollar, and Jesse Duplantis of New Orleans, Louisiana, announced their "gift" and presented Kenneth & Gloria a giant cardboard check for the total received up to that date. However, they then said they were trying to surpass a higher financial goal of \$2mil, and wanted to give the ministers present (and the ministries they represented) a chance to add to the total then represented on the check. They brought in two KCM employees with credit card terminals, and began taking not only check and cash contributions, but also credit/debit card transactions towards the same IN THE SANCTUARY ITSELF while the band played music. The transactions were done through KCM processes and were performed by KCM employees, but it was plain that it was to be personally given to the Copelands. They made periodic "update" announcements from the platform of the running total, but I believe it was about 90-minutes or more later before they announced they had concluded the "offering" and continued the rest of the "40th Anniversary" service from there.

Again, those portions of the video from the 2007 Minister's Conference service in question were omitted in all copies subsequently distributed to those who purchased DVD sets of the conference.³⁰

In an interview with CBS News, Dollar stated the following in reference to his gift to Copeland, "Also not true," Dollar said. "We didn't give Kenneth \$500,000, and we didn't take it from our church. We sent letters to different ministers around the country inviting them to share in honoring Kenneth Copeland's 40th anniversary."³¹ Yet, a reporter with the Arkansas Gazette attended the church of Copeland's friend, Happy Caldwell, on the Sunday following this event. After attending the service, the reporter wrote the following:

"What do you give a televangelist who has everything? If the evangelist is Kenneth Copeland and it's his 70th birthday, you give him one of those oversized cardboard checks -- with a seven-digit dollar figure.

Happy Caldwell, pastor of Little Rock's Agape Church, said fellow evangelists chipped in \$2.1 million and presented Copeland with the gift on Thursday night in Texas. Caldwell told the story during this morning's service, moments before collecting an offering. An audible gasp went up when Caldwell revealed the size of the present. Caldwell didn't say how much Agape Church had kicked in. Kenneth Copeland and his wife Gloria were apparently delighted with the outpouring. "They were speechless," Caldwell said. "That's about a million dollars apiece." Copeland's son spearheaded the fundraising gift.

³⁰ Rich Vermillion, former Kenneth Copeland ministry partner
³¹ "Televangelist Defends Spending" <www.cbsnews.com>

Caldwell said Copeland deserves the money because he's been generous with the millions he receives in tax-deductible contributions. "When you're a heroic giver, eventually you're going to be a heroic receiver."³²

Another insider stated the following statement in August of 2007.

"At the end of last summer...Creflo Dollar contacted him (Barry) and John Copeland about doing something extra special to honor KC & GC at the end of the Minister's Conference and to make it a "surprise" for them. John flew out to Atlanta and met with Creflo and they decided to have a special honor for them on the final night of the Minister's Conference... This would be a "who's who" list of KCM dignitaries/counterparts in the ministry world plus on the guest list would be those who gave a certain amount and above of contributions to the Ministry. Well, the guest list was generated from the confidential mailing list of KCM without any person on that list's approval... John and Creflo named an amount and we printed out a computer generated list with certain criteria and gave that list to Creflo's people and they in turn, sent out invitations to those people/ministers/pastors that met that criteria. The invitation was inviting them to a special surprise dinner honoring KC/GC of 40 years in Ministry. Then it said they were trying to raise ONE MILLION DOLLARS to give them, personally, for their 40th Anniversary gift. Send in your RSVP along with your money to Creflo Dollar Ministries. I believe that close to TWO MILLION DOLLARS was given to them that night, with Creflo giving close to a million. This was a direct VIOLATION of the privacy policy and we had numerous complaints about it but like everything else, it just went away."³³

³² Trinity Foundation Inc., "Religious Conversion"

³³ Third Party Informant A



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Goods and Services (ABANDONED) IC 041. US 100 101 107. G & S: entertainment services in the nature of a televised variety show featuring interviews, discussions and performances
Standard Characters Claimed
Mark Drawing Code (4) STANDARD CHARACTER MARK
Serial Number 78614139
Filing Date April 21, 2005
Current Basis 1B
Original Filing Basis 1B
Published for Opposition February 7, 2006
Owner (APPLICANT) Dollar, Creflo A. INDIVIDUAL UNITED STATES World Changers Ministries 2500 Burdette Road College Park GEORGIA 30349
Attorney of Record Allen L. Greenberg
Type of Mark SERVICE MARK
Register PRINCIPAL
Live/Dead Indicator DEAD
Abandonment Date May 5, 2008

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DR. CREFLO A. DOLLAR

Word Mark DR. CREFLO A. DOLLAR
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IC 045. US 100 101. G & S: Religious services, namely, evangelistic services, ministerial services, preaching services, religious instruction, religious counseling, spiritual instruction, spiritual counseling, and family counseling. FIRST USE: 19860601. FIRST USE IN COMMERCE: 19860601

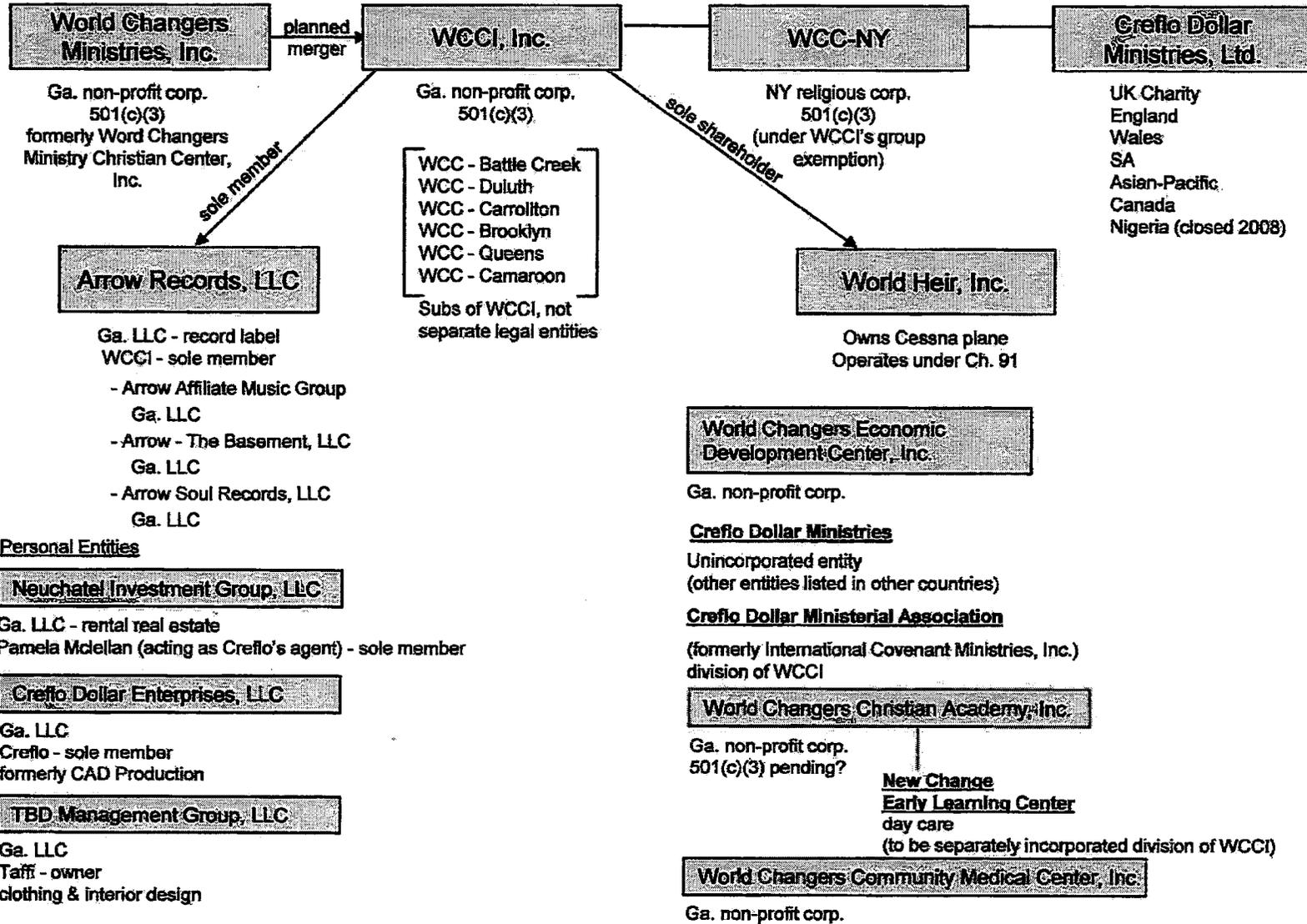
Standard Characters Claimed
Mark Drawing Code (4) STANDARD CHARACTER MARK
Serial Number 78662996
Filing Date July 1, 2005
Current Basis 1A
Original Filing Basis 1A

Published for Opposition February 14, 2006
Registration Number 3090400
Registration Date May 9, 2006
Owner (REGISTRANT) Dollar, Creflo A. INDIVIDUAL UNITED STATES 2500 Burdette Road College Park GEORGIA 30349
Attorney of Record Martin Schwimmer
Type of Mark SERVICE MARK
Register PRINCIPAL
Affidavit Text SECT 15. SECT 8 (6-YR).
Other Data The name(s), portrait(s), and/or signature(s) shown in the mark identifies Dr. Creflo A. Dollar, whose consent(s) to register is submitted.
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World Changers Church International, Inc.



SDC-P-026

IPG0253

EXHIBIT FILED UNDER SEAL
Subject to Protective Order in Docket No. 2008-1 CRB CD 1998-1999 (Phase II)

SDC-P-027

EXHIBIT FILED UNDER SEAL
Subject to Protective Order in Docket No. 2008-1 CRB CD 1998-1999 (Phase II)

SDC-P-028

EXHIBIT FILED UNDER SEAL
Subject to Protective Order in Docket No. 2008-1 CRB CD 1998-1999 (Phase II)

SDC-P-029

EXHIBIT FILED UNDER SEAL
Subject to Protective Order in Docket No. 2008-1 CRB CD 1998-1999 (Phase II)

SDC-P-030

NOT TO BE PUBLISHED IN THE OFFICIAL REPORTS

California Rules of Court, rule 977(a), prohibits courts and parties from citing or relying on opinions not certified for publication or ordered published, except as specified by rule 977(b). This opinion has not been certified for publication or ordered published for purposes of rule 977.

IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA

SECOND APPELLATE DISTRICT

DIVISION ONE

LISA KATONA GALAZ,

Plaintiff and Respondent,

v.

MARIAN OSHITA,

Defendant and Appellant.

B181278, B187428

(Los Angeles County
Super. Ct. No. BC297015)

COURT OF APPEAL - SECOND DIST.

FILED

MAY 5 2008

JOHNNY A. LOPK

Clerk

Deputy Clerk

APPEALS from a judgment and an order of the Superior Court of Los Angeles County. Ricardo A. Torres, Judge. Judgment affirmed. Order affirmed in part and reversed in part with directions.

Rogers & Harris and Michael Harris for Defendant and Appellant.

Pick & Boydston and Brian D. Boydston for Plaintiff and Respondent.

In this dispute involving ownership of interests in two limited liability companies, defendant Marian Oshita appeals from a judgment rescinding the sale to her of a 37.5 percent interest in the companies and awarding to plaintiff Lisa Galaz damages of \$18,750 and a postjudgment order awarding Galaz approximately \$104,000 in attorney fees and costs under Corporations Code section 17106, subdivision (g).¹ We affirm the judgment, rejecting Oshita's claims of error and insufficiency of the evidence to support a rescission of the sale based on lack of consideration. But we reverse the order of attorney fees because Galaz failed to establish which, if any, of the fees sought were attributable to efforts to seek Oshita's compliance with Corporations Code section 17106 and were not already included in the jury's award of damages.

BACKGROUND²

In 1998 and 1999, Raul Galaz, an attorney and then the husband of plaintiff Galaz, formed two limited liability companies, one in California and one in Texas, in order to prosecute and collect cable and satellite retransmission royalties on behalf of clients. Raul was president of both companies, Worldwide Subsidy Group – California (WSG-California) and Worldwide Subsidy Group – Texas (WSG-Texas) (referred to collectively as WSG). Raul had a 75 percent interest and Oshita a 25 percent interest in WSG. Oshita worked out of her home in Los Angeles and Raul worked out of his home

¹ Under Corporations Code section 17106, a member or holder of an economic interest in a limited liability company has a right, upon reasonable request, to inspect and copy certain books and records of the company. (Corp. Code, § 17106, subds. (a) & (b). Subdivision (g) of section 17106 provides: "In any action under this section, if the court finds the failure of the limited liability company to comply with the requirements of this section is without justification, the court may award an amount sufficient to reimburse the person bringing the action for the reasonable expenses incurred by that person, including attorneys' fees, in connection with the action or proceeding."

Unspecified statutory references are to the Corporations Code.

² The background is derived from the evidence at the jury trial, held in December 2004.

in Texas. Up to February 2003, Raul maintained the books and records of WSG at his home in Texas. Raul and Oshita were not paid salaries by WSG but received shares of the profits according to their ownership interests.

In August 2001, Raul was being investigated by federal authorities for mail fraud, not involving WSG, but arising out of his theft in 1995 of over \$300,000 in royalties by falsely claiming to own rights to a cartoon program. Raul took \$50,000 from one of WSG's accounts to pay his criminal defense attorneys in August 2001. Raul believed that his criminal attorneys were also working on behalf of WSG. In February 2002, Raul pleaded guilty to one count of mail fraud but did not begin serving his sentence until February 2003. Before Raul went to prison in February 2003, he gave Galaz a power of attorney. Raul continued to maintain the books and records of WSG until February 2003. Raul was released from prison in May 2004.

Meanwhile, in March 2002, Galaz began divorce proceedings. Pursuant to a May 6, 2002 agreement incident to the divorce, which was incorporated into the Texas court's final divorce decree of May 7, 2002, Galaz received half of Raul's 75 percent interest, or a 37.5 percent interest, in WSG. Galaz's receipt of a 37.5 percent interest in WSG pursuant to the divorce decree is not at issue on this appeal.

In May 2002, Galaz and Raul were living in the same house in Texas when Oshita came to stay with them for several days. On May 14, 2002, Raul drafted, and he and Oshita signed, a Rights Purchase Agreement by which he sold his remaining 37.5 percent ownership interests in WSG to Oshita for \$50,000 "payable from accounts held in the name of the Companies." Raul paid himself \$50,000 from WSG's accounts. According to Raul, Oshita told him that she was owed \$50,000 in unreimbursed expenses from WSG, so the "idea was that it [the payment to Raul of \$50,000] was compensation paid to me that was effectively compensation to her for unreimbursed expenses that she had yet to receive." Raul admitted that from 1998 to May 2002, he had written all WSG's checks for Oshita's expenses and that in previous years Oshita never had a year with \$50,000 in expenses. Raul testified that Oshita's claim of \$50,000 in expenses did not raise any questions in his mind, and he relied on her statement about her unreimbursed expenses in

entering into the Rights Purchase Agreement. Raul admitted that in a November 2002 deposition in an unrelated matter, he testified initially that the \$50,000 payment to him by WSG in May 2002 was salary, but then he ultimately testified that it represented a payment to Oshita for her unreimbursed expenses, which Oshita then paid to him to purchase his interests in WSG.

It was during Raul's November 2002 deposition that Galaz learned about Raul's May 2002 sale of his 37.5 percent interest to Oshita. Galaz did not give her consent to Raul's transfer of his shares to Oshita. But Galaz admitted that in November 2002 she allowed Oshita to hold herself out as WSG's president.

The Articles of Organization of WSG-California, in paragraph 7A, provided that the admission of any additional member to the limited liability company "shall require the majority-in-interest consent of the members. The transfer of any membership interest of the company shall require the approval by majority-in-interest consent of the members." Paragraph 7D of the Articles of Organization provided that the interest of each member constitutes the personal estate of that member "and may be transferred or assigned as provided in the Operating Agreement. However, if all of the other members of the limited liability company, other than the member proposing to dispose of his, her or its interest, do not approve of the proposed transfer or assignment by majority-in-interest consent, the transferee of the member's interest shall have no right to participate in the management of the business and affairs of the limited liability company or to become a member. The transferee shall be entitled to receive only the share of profits or other compensation by way of income and the return of contributions to which that member would otherwise be entitled and shall hold only an economic interest."

The Articles of Organization of WSG-Texas did not contain provisions addressing the assignment or transfer of membership interests. But article 4.05 of the Texas Limited Liability Company Act permitted assignment of a membership interest in whole or in part and entitled the assignee "to be allocated income, gain, loss, deduction, credit, or similar items, and to receive distributions," but "until the assignee becomes a member, the assignor member continues to be a member and to have the power to exercise any rights

or powers of a member, except to the extent those rights or powers are assigned.” (Tex. Limited Liability Company Act, art. 4.05(A)(1)-(4).)

Article 2.23(D) of the Texas Limited Liability Company Act provided that, except as provided in the articles of organization or regulations, “the affirmative vote, approval, or consent of a majority of all the members is required to: [¶] . . . [¶] (2) issue any additional membership interests in the limited liability company subsequent to the issuance of membership interests to the initial members” (Tex. Limited Liability Company Act, art. 2.23(D).)

According to Raul, he told Oshita about the transfer of his shares to Galaz in May 2002. But Oshita claimed that she did not know that Galaz had acquired an interest in the companies in May 2002 until Raul’s November 2002 deposition, even though she admitted that in May 2002 she signed an account authorization form removing Raul’s name as a signatory on a WSG bank account and added Galaz’s and her names as members and signatories.

Oshita also testified that she and Raul did not discuss her 2002 expenses in connection with the Rights Purchase Agreement, and they did not discuss the issue of the consideration for the transfer of his ownership interest to her.

According to Raul, he continued to work for WSG and to maintain WSG’s books and records from May 2002 until the time he went to prison, notwithstanding the transfer of all of his interests to Galaz and Oshita, because Oshita told him in May 2002 that she (Oshita) will continue to pay 75 percent of the companies’ profits to Galaz.

The day before Raul went to prison in February 2003, Oshita sent him a fax claiming her 2002 unreimbursed expenses were only approximately \$15,000. Raul testified that from the February 2003 fax, “it was evident that I had a cause of action against [Oshita] for what I considered to be her having defrauding me,” and “if I were to proceed against [Oshita], it ultimately was going to be paid over to child support anyway.” So, in the spring of 2003, Raul orally assigned to Galaz his rights against Oshita.

In March and April 2003, Galaz requested WSG documents from Oshita. In April 2003, Galaz sent to Oshita a written request for books and records under Corporations Code section 17106, subdivision (a). Galaz testified that after May 2003, she had no access to WSG's books and records and was denied access to the WSG bank accounts. Oshita admitted that she had in her possession all WSG records for 2003. In October 2003, pending this lawsuit (which Galaz filed in June 2003), Oshita produced some of WSG's books and records to Galaz.

In the spring of 2003, Galaz's attorney wrote a letter to Merrill Lynch, where WSG maintained some bank accounts, causing Merrill Lynch to freeze the accounts. Oshita opened up two new accounts where she placed the money, about \$10,000, which she withdrew from Merrill Lynch accounts, as well as other monies received by WSG. Oshita admitted that she never informed Galaz about the new accounts, and she did not identify the new accounts in response to an interrogatory asking her to identify all WSG bank accounts.

After trial,³ the jury returned a verdict with the following findings: Oshita falsely and knowingly represented to Raul that WSG owed her \$50,000 in unreimbursed expenses but Raul did not reasonably rely upon her representation. Oshita breached her fiduciary duties by failing to provide Galaz with books and records of WSG and caused Galaz damages in the amount of \$18,750. Both Oshita and Raul consented to the transfer of Raul's membership interest (as opposed to merely an economic interest) in WSG-Texas to Galaz. Raul consented to the transfer of his membership interest in WSG-California to Galaz. Both Raul and Galaz did *not* consent to the transfer of Raul's

³ In the middle of the trial, the trial judge (Judge Alan Buckner) died. Judge Ricardo A. Torres took over the trial without objection by the parties. Judge Torres heard all of Oshita's testimony, as well as some rebuttal testimony by Galaz and Raul. Judge Torres also heard the parties' closing arguments to the jury, which are not part of the record but which would have discussed the pertinent evidence.

membership interest in WSG-Texas to Oshita. Galaz did *not* consent to the transfer of Raul's membership interest in WSG-California to Oshita.

After the verdict, both parties filed briefs on the issue of how the final judgment should resolve the ownership interests in WSG. Oshita argued that she held a 62.5 percent and Galaz a 37.5 percent membership interest in the companies. Oshita maintained that because the jury found no reasonable reliance by Raul, there was no fraud and no basis to rescind the Rights Purchase Agreement. Oshita argued that the jury's advisory answers to the questions regarding consent were useless and irrelevant. Because she was already a member of the companies, neither paragraphs 7A and 7D of the Articles of Organization of WSG-California nor the Texas statutes applied to her and no votes or consents were necessary to make her a member as to her additional interests acquired by the Rights Purchase Agreement.

Galaz argued that the jury's findings are sufficient to support the conclusion that she owned a 75 percent membership interest in WSG because Raul's transfer of a 37.5 percent interest to her incident to the divorce was valid and Raul's transfer to Oshita was subject to rescission. Galaz maintained that, although the jury did not find fraud, its findings supported rescission of the Rights Purchase Agreement under the trial court's equitable powers and on the basis of mistake or failure of consideration. And Raul's transfer of a 37.5 percent interest to Galaz pursuant to the agreement incident to the divorce was valid because it was approved by Oshita.

After a hearing on January 26, 2005, the trial court stated that it was in agreement with Galaz and that the Rights Purchase Agreement regarding Raul's sale of his 37.5 percent ownership interest in WSG to Oshita should be rescinded for failure of consideration. The January 26, 2005 judgment provided that the Rights Purchase Agreement was rescinded and that, as a result of the rescission, Galaz owned a 75 percent economic and membership interest in WSG. The judgment further ordered that the books of WSG be adjusted to reflect that on May 14, 2002, Raul received a draw of \$50,000. The judgment also awarded Galaz damages in the amount of \$18,750 against Oshita. Oshita appealed from the judgment.

Almost six months after the judgment was entered, and on July 12, 2005, Galaz filed a motion for attorney fees and costs, seeking approximately \$135,000 in attorney fees under section 17106, subdivision (g) (see fn. 1, *ante*), and approximately \$10,800 in costs. Neither in the declaration in support of the motion, nor in the billing statements attached as exhibits, did Galaz segregate the attorney fees attributable to her claim under section 17106 as opposed to the fees attributable to pursuit of her other claims.

In opposition to the motion, Oshita contended that the motion for attorney fees was time barred under California Rules of Court, rule 870.2(b)(1),⁴ there was no verified memorandum of costs as required by rule 870(a),⁵ and the costs associated with Galaz's attempts to obtain WSG's records were "a minor part of the litigation," so the fees and expenses claimed by Galaz were not reimbursable under section 17106, subdivision (g).

After a hearing, the court granted Galaz's motion and awarded her \$93,750 in attorney fees and all of the costs she requested, for a total amount of \$104,586.28. Oshita appealed from the order awarding Galaz costs and attorney fees.

⁴ California Rules of Court, rule 870.2(b)(1) provides: "A notice of motion to claim attorney fees for services up to and including the rendition of judgment in the trial court — including attorney fees on an appeal before the rendition of judgment in the trial court — shall be served and filed within the time for filing a notice of appeal under rules 2 and 3." As pertinent here, rule 2 provides that a notice of appeal must be filed within the earliest of 60 days of the mailing or service of "a document entitled 'Notice of Entry' of judgment or a file-stamped copy of the judgment . . ." or 180 days after entry of judgment. (Cal. Rules of Court, rule 2(a).)

Further rule references are to the California Rules of Court.

⁵ Rule 870(a) provides in pertinent part: "(1) A prevailing party who claims costs shall serve and file a memorandum of costs within 15 days after the date of mailing of the notice of entry of judgment . . . or the date of service of written notice of entry of judgment or dismissal, or within 180 days after entry of judgment, whichever is first. The memorandum of costs shall be verified by a statement of the party, attorney, or agent that to the best of his or her knowledge the items of cost are correct and were necessarily incurred in the case."

DISCUSSION

A. Appeal from the Judgment

Oshita challenges the sufficiency of the evidence to support the trial court's decision granting rescission of the Rights Purchase Agreement on the ground of lack of consideration.⁶ Oshita argues that there was evidence of consideration for the sale of Raul's interest to Oshita because he admitted withdrawing \$50,000 from the business, Oshita authorized such withdrawal, and Oshita also agreed to a confidentiality provision, which she contends was "sufficient consideration in and of itself, particularly because at the time [Raul] was facing criminal charges."

Civil Code section 1689, subdivision (b) provides in part that "[a] party to a contract may rescind the contract in the following cases: [¶] . . . [¶] (2) If the consideration for the obligation of the rescinding party fails, in whole or in part, through the fault of the party as to whom he rescinds. [¶] . . . [¶] (4) If the consideration for the

⁶ Oshita suggests that the issue of rescission for lack of consideration was not properly before the trial court sitting as a court of equity because the issue was not pleaded and no advisory questions were submitted to the jury on the issue. Oshita is correct that the cause of action for rescission was not expressly based on a failure of consideration (but it was based on Oshita's falsely representing to Raul that WSG owed her \$50,000) and the jury was not asked to answer any advisory questions pertaining to the issue of lack of consideration. But Galaz's post-jury trial brief addressed the issue and it was argued on its merits at the January 26, 2005 hearing by both parties and without objection based on any pleading deficiency. Accordingly, the issue of rescission for lack of consideration was properly before the trial court.

Noting that the Rights Purchase Agreement requires that its interpretation be governed by Texas law, Oshita argues in her opening brief that "[t]here does not appear to be Texas law which would vary the conclusions and arguments of Appellant since under Texas contract law, the common law rules generally apply."²² The issue of the application of Texas law on rescission, and whether it would require a different result than the application of California law, was not raised below. Nevertheless, we deem Oshita's appellate brief to have conceded that Texas law on the issue of rescission for failure of consideration is consistent with California law on the issue, so we apply California law.

obligation of the rescinding party, before it is rendered to him, fails in a material respect from any cause.”

“The right to rescind for a partial failure of consideration may be exercised although there has been a partial performance by the party against whom the right is exercised.” (*Coleman v. Mora* (1968) 263 Cal.App.2d 137, 150.) However, a partial failure of consideration justifies rescission only if the failure is material or goes to the “essence” of the contract. (*FDIC v. Air Florida System, Inc.* (9th Cir. 1987) 822 F.2d 833, 840.) “Thus, the right to rescind a particular contract ‘depends upon the gravity of the breach’ relied on to justify the rescission. [Citation.] [¶] Whether a breach constitutes a failure of consideration sufficient to be deemed material and thus to warrant rescission of a contract is a question of fact properly determined by the trial court.”

(*Ibid.*)

“Failure of consideration is the failure to execute a promise, the performance of which has been exchanged for performance by the other party. [Citation.] . . . Failure of consideration does not, however, vitiate the contract from the beginning; until rescinded or terminated a contract once in effect remains in effect. [Citation.] This last principle rests upon the distinction that failure of consideration is based, not upon facts existing at the time the mutual promises bargained for in a bilateral contract are made, but upon some fact or contingency which occurs between the time of the making of the contract and the action which results in the material failure of performance by one party.” (*Taliaferro v. Davis* (1963) 216 Cal.App.2d 398, 410-411.)

Substantial evidence supports the trial court’s implied finding of a partial failure of consideration that was material and went to the “essence” of the Rights Purchase Agreement. The trial court reasonably could have inferred that Oshita’s representation to Raul that Oshita had unreimbursed expenses of \$50,000 constituted a promise that Oshita would submit expense receipts to WSG entitling her to be reimbursed the amount of \$50,000. The trial court also reasonably could have inferred that such oral promise was an essential or material provision of the sale agreement and went to the “essence” of the Rights Purchase Agreement. But Oshita submitted a request for expense reimbursement

in the amount of only \$15,000. Under the facts of this case, the trial court reasonably could have found that, notwithstanding the lack of reasonable reliance by Raul so as to give rise to a fraud claim, Oshita nonetheless breached her agreement with respect to expenses and that such breach constituted a material failure of consideration entitling Raul to rescind the Rights Purchase Agreement.

Oshita contends that Galaz's claim for rescission must fail because only a party to the contract, or an assignee of a party, is entitled to rescind a contract, and there was no evidence that Raul assigned Galaz his rights under the Rights Purchase Agreement. We disagree. Substantial evidence supports the trial court's implied finding that Raul assigned his interests under the Rights Purchase Agreement to Galaz and that Galaz was thereby entitled to assert the claim for rescission. Raul testified that in the spring of 2003 he orally assigned "any rights that [he had] against [Oshita], in connection with the sale of [his] shares . . . to Ms. Oshita, to [Galaz]."²² Raul also testified on cross-examination that he assigned his cause of action against Oshita to Galaz, but he did not give Galaz advice as to what causes of action she could assert. But Raul did have a conversation with Galaz in which he told her that he "had a cause of action against [Oshita] for what [he] considered to be her having defrauded [him]."

Oshita interprets the record as establishing that Raul assigned only a fraud cause of action to Galaz, and not a contract claim arising under the Rights Purchase Agreement. But the record shows that Raul assigned "any rights" he had against Oshita with respect to the sale of his shares to Oshita. Accordingly, substantial evidence supports the implied finding of the trial court that Raul's assignment to Galaz included his rights under the Rights Purchase Agreement.

Because we uphold the trial court's rescission of the Rights Purchase Agreement on the ground of lack of consideration, we need not address whether other grounds, including the findings of the jury on the issue of consent, justify rescission. We also need not address Oshita's arguments that the trial judge's rescission ruling was erroneous because he had not heard all of the evidence. (See fn. 3, *ante*.) As stated, that judge took over the trial without objection. Not only does Oshita fail to support the foregoing claim

of error with any authority, but she fails to show that any error was prejudicial. (See *Carnes v. Superior Court* (2005) 126 Cal.App.4th 688, 694 [to obtain reversal of a judgment, appellant must show prejudicial error].)

B. Appeal from Order Awarding Attorney Fees and Costs

Galaz filed her motion for attorney fees and costs several weeks shy of the 180th day after the entry of the judgment. Oshita contends that Galaz's motion was untimely because it was not filed within 60 days under the provisions of rule 2. (See fn. 4, *ante*.) Oshita does not claim that either she or the clerk mailed Galaz a document entitled notice of entry of judgment. Relying on *Fawn v. Holiday Investment Corp.* (1978) 81 Cal.App.3d 582 (*Fawn*), Oshita maintains that her February 9, 2005 notice of appeal from the judgment (served by mail on Galaz on February 8, 2005) was tantamount to a notice of entry of judgment, thereby triggering the 60-day provision of rule 2.

Fawn is inapplicable here because the 1978 version of rule 2 is different from the current version, which requires a specific document to start the running of the 60-day period, and the record does not demonstrate that such a document was served or mailed by any party.⁷ In *Fawn*, the plaintiff filed a timely notice of appeal from the judgment, but then filed a notice of intent to move for a new trial and an abandonment of the appeal. After the trial court dismissed the plaintiff's new trial motion as untimely, the plaintiff filed a second notice of appeal almost six months after entry of the judgment and four months after the filing of his first notice of appeal. The Court of Appeal granted the defendant's motion to dismiss the appeal, holding that the plaintiff's first notice of appeal "constituted notice to plaintiff of the entry of the April 20 judgment. The 60-day period

⁷ As cited in *Fawn*, former rule 2 provided: "[N]otice of appeal shall be filed within 60 days after the date of mailing notice of entry of judgment by the clerk of the court pursuant to Section 664.5 of the Code of Civil Procedure, or within 60 days after the date of service of written notice of entry of judgment by any party upon the party filing the notice of appeal, or within 180 days after the date of entry of the judgment, whichever is earliest . . ." (*Fawn*, *supra*, 81 Cal.App.3d at p. 584.)

within which to file a notice of appeal therefore began to run no later than June 13. Thus plaintiff's time in which to file notice of appeal expired on August 12, 1977. The second notice of appeal, filed October 14, was untimely and the appeal must therefore be dismissed." (*Fawn, supra*, 81 Cal.App.3d at p. 585.)

Because Oshita's notice of appeal does not constitute a "document entitled 'Notice of Entry' of judgment or a file-stamped copy of the judgment," as required by rule 2, the 60-day provision is inapplicable and the 180-day provision applies. We conclude that the motion was timely.

We reject Oshita's contention that Galaz cannot recover any of her costs because the motion for costs and attorney fees was untimely and its format did not comply with the requirement for a verified memorandum of costs under rule 870(a)(1). (See fn. 5, *ante*.) The same reasons for which we rejected her arguments of untimeliness under rule 870.2 also support rejection of her arguments of untimeliness under rule 870(a)(1). We also reject Oshita's contention that Galaz failed to file a memorandum of costs verified by the party or the attorney. Galaz's motion was supported by a declaration of her attorney, which included as an exhibit the billing statements containing cost items. The billing statements substantially comply with the requirement for a verified memorandum of costs.

Although the motion was timely and in an acceptable form, we agree with Oshita that the order for over \$93,000 in attorney fees pursuant to section 17106 (see fn. 1, *ante*) must be reversed. Galaz's motion failed to specify fees attributable only to the pursuit of documents under section 17106 as opposed to the pursuit of her tort claims, for which no attorney fees are recoverable. And it appears from a review of the trial record that the trial court's order failed to award attorney fees solely for the pursuit of documents under section 17106.

Nor is this a case where the claims for which attorney fees are recoverable are so intertwined with other claims that apportionment would be impracticable or impossible. The billing statements of Galaz's attorneys indicate that such apportionment can be easily accomplished, whether or not it was done consistently in the billing statements that are

part of the record. We thus conclude that the claims for relief in this case were not so intertwined as to make apportionment impossible or impracticable.

And the judgment in this case awarded Galaz \$18,750 under section 17106. Our record does not contain the jury instructions or the arguments made by the parties' attorneys to the jury. Accordingly, we cannot ascertain whether the instructions permitted the jury to award damages which included attorney fees and costs incurred in obtaining documents under section 17106. But other than attorney fees and costs incurred in obtaining the documents in litigation, it is difficult to imagine what other kinds of damages Galaz incurred by reason of Oshita's violation of her duty to permit inspection and copying of documents under section 17106. Unless belied by the record of the jury instructions and arguments of counsel, the current appellate record suggests that the jury's award of damages may have already included attorney fees under section 17106.

We conclude that the award of attorney fees constituted an abuse of discretion and must be reversed. On remand, the trial court will have the opportunity to reconsider the motion for attorney fees, cull through the billing statements to determine which entries pertain to fees incurred due to Oshita's violation of section 17106, and, after considering the damages judgment, award a reasonable amount of attorney fees pursuant to that statute.

DISPOSITION

The judgment is affirmed. That part of the September 12, 2005 order awarding costs is affirmed; that part of the September 12, 2005 order awarding attorney fees is reversed and the matter is remanded for further proceedings. The parties are to bear their own costs and attorney fees on appeal.

NOT TO BE PUBLISHED.

MALLANO, J.

I concur:

SPENCER, P. J.

I concur in the judgment only.

VOGEL, J.

From: Barry.Gottfried@pillsburylaw.com
Sent: Wednesday, July 24, 2002 3:19 PM
To: Jack.McKay@pillsburylaw.com; Clifford.Harrington@pillsburylaw.com
Cc: randy.morell@cbn.org
Subject: HOORAY!!!

Barry H. Gottfried
Shaw Pittman LLP
2300 N Street, N.W.
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----- Forwarded by Barry Gottfried/SPPT/US on 07/15/2002 02:09 PM -----

"dennispc" <dennispc@sbcglobal.net>
07/15/2002 01:54 PM

To: <moshita@bigplanet.com>
cc: <Barry.Gottfried@shawpittman.com>, <arnie@lutzker.com>, <dmiddlebrook@bbamlaw.com>, <psudbay@bbamlaw.com>
Subject: Letter to Barry Gottfried of July 11, 2002

Dear Ms. Oshita,

I have been provided a copy of your letter to Mr. Gottfried, a portion of which appears to allege that Mr. Gottfried was ill-motivated in contacting me, that I would now like to address. First, let me say that I don't have the benefit of the history of all of the parties' dealings with each other, which is apparently extensive, but I can comment directly on inferences and allegations drawn since the time of Mr. Gottfried's "June 26th" letter to me.

I received Mr. Gottfried's letter of June 26th in the spirit I believe it was written, namely to inform me, as legal counsel for Kenneth Copeland Ministries, that a major distribution was soon to be forthcoming, and to apprise me of the three prior distributions within the United States that had been made, if for whatever reason, I was not already aware of them.

I cannot fully express my gratitude for Mr. Gottfried's preparation of that letter. Marian, as you well know from conversations with me, those prior distributions were not known to me, and as it turns out, were not known to you either, at the time I confronted you with them. In previous requests to Mr. Galaz about activity in the United States, those distributions, some of which were two years old, were actually concealed from my knowledge. After my insistence that royalty statements be provided, as they should have been even without our urging, according to the contract, those distributions again went completely unmentioned. Neither Mr. Galaz, nor any of the entities he controlled, has ever apprised me of, or accounted for those distributions, which WWSG had 30 days to do under the agreement. This, of course, was beyond a breach of the agreement. This was civil fraud of the highest order and probably criminally actionable under a number of statutes and common law, to my thinking.

More alarmingly, when Raul Galaz and I last spoke about the fact that I may need to actually confirm your company's representation of KCM by speaking with the attorneys involved, Mr. Galaz ominously intimated that I should keep the conversation as short as possible, that I should "not get chatty with them," and that they would be attempting to "undo the agreement." This conversation preceded Mr. Gottfried's letter, and it became abundantly clear to me after Mr. Gottfried's letter that Mr. Galaz had been intentionally deceptive - he wanted the conversations kept short and guarded because the prior distributions that he had concealed from me might otherwise come up, not because the agreement was in jeopardy. In fact, Mr. Galaz apparently had hoped that conversations between myself and other counsel would not transpire, and that the simple letter of representation you had forwarded would suffice. Mr. Galaz attempted this last ploy after trying to first reestablish credibility by confessing his wrong-doing, distancing himself from the old person capable of deceit, affirming his loyal representation of KCM, casting the other attorneys in an overly antagonistic light, and finally implying that he had nothing at stake to gain.

But as Mr. Galaz is now aware, the past can indeed catch up. Even so, in conversations that have included weighty matters such as his sentencing and loss of licensure, Mr. Galaz has been inordinately concerned about competitors, of all things. You, for that matter, after reading your letter, also appear unduly worried about whether another person or entity will have the business of our clients. And since you have attempted to rely on my conversations with you, let me clarify that it has been you, on several occasions, probing me about whether Mr. Gottfried or Mr. Hammerman has so much as made the possibility of his services evident to me. This expenditure of your efforts frustrates me because one, in my opinion and experience as a lawyer, neither of them has done anything wrong, two, I have not been affected by the conversations, and three, there are far more productive uses of WWSG time as it relates to my clients - we have many unresolved issues.

In the wake of these revelations, I have intended and will continue to give WWSG, under new direction, the benefit of the doubt but that will not withstand misdirection such as scurrilous charges or lack of progress with handling our issues, such as those prior distributions.

Mr. Gottfried's actions brought to light a serious violation of our rights.

I would ask, as much as I would prefer that it be unnecessary, that transactions, and the precursors of transactions, continue to be round-tabled insofar as they involve Kenneth Copeland Ministries, Benny Hinn Ministries, and Creffo Dollar Ministries, and I would hope there is no further opposition to this from WWSG.

Sincerely,
David R. Joe

Brewer Brewer Anthony & Middlebrook, PC
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Marian Oshita

From: "David Joe" <D.Joe@brewerlawgroup.com>
To: <brianb@ix.netcom.com>; <worldwidesg@bigplanet.com>
Cc: <moshita@bigplanet.com>; <jblaw1@aol.com>
Sent: Monday, October 04, 2004 12:51 PM
Subject: Galaz vs. Oshita et al.

To Lisa Katona Galaz and Brian D. Boydston.

For those of you whom I have not met, I am an attorney in Texas known to WSG as the primary contact person for several of its devotional category claimants. Let me say at the outset that no one receiving this letter has asked that I write it, nor has any idea whatsoever that I have undertaken to review the pleadings and attachments filed in this case. Marian Oshita had mentioned the existence of this case to me fairly recently, observing a long-standing request of mine that I be informed of anything controversial involving this company, as this company has demonstrated ample reason for me to remain vigilant in recent years; and speaking for my clients, we are ever interested in the integrity and honorable name of those acting on our behalf.

That said, allow me to further state that Marian Oshita has an arm's length relationship with this firm, and that this firm's clients are not beholden to WSG for any reason, nor are they presently committed to any long-term relationship with it. There are no agendas and no underlying loyalties or axes to grind that have prompted me to write this letter. I have a limited opinion of each of you based on what you have written and plead, but I have no particular affinity for, stake, trust in, or willingness to vouch for or support any of you, motivating me.

I find it incredible that the felon Raul Galaz and his "assignee" Lisa Galaz have the gall to plead that Raul Galaz sold his interest only because he thought Marian Oshita was due some certain specific amount of money that had to be paid. Raul Galaz sold his interest because he had been humiliated, (rightfully) lost all credibility and wanted to proclaim to me and probably others that he was out of the company, so that it could potentially survive. And this he did, imploring me over the phone to see that he would be paying the price for what he did, and that he was out of the company, but that he had not besmirched or compromised his devotional category clients.

But even aside from being sentenced after duping the copyright office and bilking copyright owners, Raul had another (even stronger) reason to release his interest. Raul had recovered literally hundreds of thousands of dollars for one of my clients, over a long period of time, but had not told me or my client about any of it. Needless to say, somewhere in the back of Raul's corrupt and greedy mind he knew there would be a day of reckoning when I discovered this fact, and indeed there was - at the worst possible time for Galaz, when a Washington DC attorney wrote me directly, relaying specific distributions that had been concealed from me, totaling an amount greater, I believe, than even that large amount he went to prison for. I am sure Raul had been petrified for quite some time that I would learn of and level this fact against him with the U.S. Attorneys, at the same time that he was vying for leniency and pleading guilty, which would have just finished him off. I could sense the desperation in his voice, and let me just tell you that both Raul and Marian in one call in particular did not simply join in harmony that Raul was divested, they proclaimed it emphatically, utterly and without the slightest hint of reservation, hoping upon hope that his divestiture and sentence would be seen by me as punishment enough, without a strong recommendation from me to my clients to abandon WSG. When I pressed for whether Raul was permanently out as an employee and also as any form of silent owner, they were ever so quick to

affirm that he was out in both respects, again, hoping their own response would be seen by me as having inflicted enough recompense.

Raul was so adamant that he was out of the company, that it even made me wonder why he would care to go to such effort with me to remain with Marian, which I now suppose had to do with the fact that his children would benefit from the company's survival after the divorce. There had been some mention that Marian was not the only owner but that she would be running the company, which casts doubt on the assertions now that there was no authorization. So it is absolutely incredible to me that Raul would dare plead otherwise, because Raul squeezed every drop of sympathy he could with me out of the fact that he was permanently out of the company.

To Lisa and Raul, let me say further that I do not know much at all of what Marian does day to day, and I don't know her well enough to fully trust her, either, but I can tell you that Raul's story about the sale in a bid to get rescission rings as false as the garbage Raul manufactured before he went to prison. If Raul is telling the truth now, then he was lying back then, because in 2002 Raul could not have been more certain and steadfast that he was totally and completely out.

To my thinking, without Marian, who eventually did repay the hundreds of thousands of dollars absconded with, there would be nothing to fight over at all in this ridiculous lawsuit you two have brewed. If this enormous, unmitigated "taking" (and spending) of my Client's moneys had not been remedied along the reasonable lines I had been insisting on, then you all would have been pointing fingers in bankruptcy court, instead of this one. And from what I know at the moment, only Marian has contributed to a modicum of integrity at WSG.

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