

1 in the winter of -- you know, the time frame that
2 James was terminated because they had some --
3 because I had some questions.

4 He was like: "Yeah, I told them to just
5 call Fred and ask him," and Robert said: "Nobody
6 wanted to, so I just called you."

7 That's basically what he said.

8 He said: "What was the thing with" --
9 you know, I think it was Mo's motorcycle or
10 something like that, and so I told him the story
11 behind the motorcycle.

12 He said: "Okay. Great. That's all I
13 needed."

14 And then we talked, you know, chitchat
15 talk, not strategy talk but chitchat talk for five
16 minutes, you know, just catching up: "How are you
17 doing," dah, dah, dah, dah, and probably three or
18 four minutes on, you know, sort of like divesting
19 everything.

20 Q. That brings me to something else. I've
21 heard of this thing called the blessing fund which
22 was a set amount of money which James could use to
23 bestow blessings on people in he church or related
24 to the church to bring them closer to God or reward

1 them for good works.

2 Is that an accurate description?

3 A. So here's the thing, and, again, the
4 fund, the account, it had lots of different names,
5 right?

6 If you go back and look at the budget
7 sheets, like in terms of what was presented and
8 prepared in the budget, there would be line items,
9 for sure, for benevolences.

10 It wouldn't be benevolence, but, for
11 sure, on the payroll summary page there would be
12 actual line items for development expense, for
13 awards, for retreats, for bonuses, and I believe it
14 was like bonuses and blessings.

15 There would be dollar amounts on each of
16 those line items.

17 Where we spend the money from, whether it
18 was the checkbook I had or out of the corporate that
19 went through, you know, a different review process,
20 depended a little bit or maybe a lot on who the gift
21 was going to and for what purpose.

22 So, for example, when Mo got his
23 motorcycle, it was a bonus that he got from the
24 church.

1 Q. Who is Mo now?

2 A. Mohan Zachariah was the campus pastor of
3 Harvest Bible Chapel Niles.

4 So because it was a payroll item, that
5 went through my account because less people saw it
6 and only the people -- Diane Birkenstock, again, who
7 was in charge of HR and in the accounting
8 department, she saw the check because she reconciled
9 the account and she would actually write the checks
10 and I would sign them.

11 You know, so those would be the types of
12 things. Now, you know, that one could have been a
13 wire, but the point being, those transactions,
14 again, were, in general, approved in the overall
15 comp budget, right, and then specifically enacted
16 through different accounts.

17 So, quote, unquote, the blessing account,
18 James had a bunch of different -- like he would
19 refer to it as the blessing account.

20 I knew I just had to carry a dollar
21 figure sufficient cover, you know, bonuses,
22 blessings, et cetera, you know, in that account.

23 Q. So is it fair to say that James had
24 discretion to decide to use some of those funds in a

1 manner that he saw fit even though the specific gift
2 or blessing wasn't authorized by the elders?

3 A. He had the ability to decide with the
4 condition that it would be reviewed by the EC.
5 There was no requirement for prior approval.

6 Now, I was -- and, again, I was in the
7 room several times when I heard James talking to
8 Jeff Smith or to Robert Jones about: "Hey, I
9 want to get a motorcycle for Rick. What do you
10 think?"

11 "Oh, that's a great idea."

12 That would be the answer he would get in
13 that context, so then James would go out would and
14 execute on getting a motorcycle.

15 It's like within the -- again, staff is
16 authorized to spend the budget, the total budget
17 that was approved.

18 It was within the total budget, and,
19 again, we did a great job of managing our expenses
20 to make sure that we always came in under-spent at
21 the end of the year and over-collected.

22 Q. Well, I always hear that motorcycle story
23 brought up by adversaries of James as an example of
24 un-Godly spending.

1 The person who that was given to, that's
2 an employee of the church, right?

3 A. And it was included in his Box 1 on his
4 W-2.

5 Q. So he had to pay taxes on it?

6 A. Uh-huh.

7 Q. Income tax?

8 A. Uh-huh.

9 Q. And it was also essentially a bonus to an
10 employee?

11 A. Correct.

12 Q. And how much did the motorcycle cost?

13 A. I'm guessing fifteen-to-twenty thousand.
14 I don't remember.

15 Q. And do you have a recollection of what
16 the individual's salary was?

17 A. I'd say 90 to 110,000, somewhere in that
18 range.

19 Q. So somewhere between a 10-to-15 percent
20 bonus?

21 A. Max 20 percent, yeah.

22 Q. Did that raise any eyes when it was
23 actually done by the elders or anybody that reviewed
24 the checkbook?

1 A. No.

2 So James would come back -- James would
3 meet with the EC. He'd come back and say: "Hey, I
4 talked to the EC."

5 We had well-established patterns of like
6 how information was supposed to flow. I was in the
7 room multiple times. The EC agreed.

8 The EC meets with James, not with Scott
9 and I, but with James.

10 James comes back and tells us, you know,
11 what the outcomes are or "Hey, this is what we're
12 going to do."

13 So James would come back. I could check
14 anything if it sounded odd, like: "What do you mean
15 we're buying, you know, an island in the Bahamas?
16 I'll have to call Jeff."

17 But, certainly, we had given multiple
18 motorcycles away over the course of five or eight
19 years, I think, you know, to Rick Donald, Kent Shaw,
20 maybe Kevin Decker.

21 So the fact of Mo getting a motorcycle
22 was not outside of the ordinary, and, again, bonuses
23 were not given to the same person.

24 They were given -- in Rick's case, it was