

**From:** James MacDonald  
**Subject:** Re: Removal of Harvest assets  
**Date:** February 12, 2019 at 4:30 PM  
**To:** Jeff Smith



Dear Brother:

I was helping in the way I believed brian wanted me to help, and steve stewart will verify asked only that steve prepare for transfer and wait for word from EC.

I am so sorry for all this, and really ask to end these sufferings for all and let me have what is mine and go willingly, with full confession of my own failings for sake of church.

james

On Feb 12, 2019, at 2:41 PM, Jeff Smith wrote:

James:

It has come to our attention that you are attempting to effect a transfer of the rabbi trust assets to other accounts. As we have discussed before, this cannot be done. Please observe this request.

Best,  
Jeff

Jeff Smith  
Sent from my iPad

Dr. James MacDonald

On Mar 14, 2019, at 10:55 AM, Stephen Stewart <[ssewart@walkintheword.com](mailto:ssewart@walkintheword.com)> wrote:

Elders:

Thank you for inviting me to your meeting last night. I honestly believe the most damaging anchor holding Harvest back currently is our inability to announce the final departure of Pastor James. With that belief in mind, I have rearranged an email stream, from yesterday, so you can read from the top to the bottom. I will then add some thoughts from last night's meeting at the bottom. Thank you.

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**From:** Stephen Stewart

**Sent:** Wednesday, March 13, 2019 10:40 AM

**To:** Jeff Sharda <[jsharda@harvestbiblechapel.org](mailto:jsharda@harvestbiblechapel.org)>; Rick Korte <[rkorte@harvestbiblechapel.org](mailto:rkorte@harvestbiblechapel.org)>;  
Christopher Nudo <[cnudo@harvestbiblechapel.org](mailto:cnudo@harvestbiblechapel.org)>; Smith Jeff [REDACTED]

**Cc:** Carl Barkow <[cbarkow@harvestbiblechapel.org](mailto:cbarkow@harvestbiblechapel.org)>; Mike Karpeles [REDACTED]

**Subject:** RE: [Test] Important Update at Walk in the Word

Gentlemen:

I have not spoken to Pastor James in several weeks, that being said, we all know he is extremely anxious to get control of WITW, his future source of income. I continue to remind myself: this is a negotiation. The more we can remove emotion from the equation, the better outcome we will achieve.

Pastor James has spent 20 years building the WITW brand. Millions of people have been exposed to his teaching on radio and TV. I would suggest Pastor James' negotiation goals, in order of importance are:

- MPX donor database – this allows him to communicate via email and see donor history
- WITW social media accounts – this allows him to communicate via social media
- 450 ready-to-be-uploaded sermons – this allows him to announce WITW is operational
- 501C-3 – this gives him the immediate ability to accept donations
- \$400k inventory – this provides him with immediate gifts to entice Change Partners
- Son-in-law – Nick Mejia knows how to make it all work and is joining the “family business”
- The \$100k in the 501C-3 – this gives him working capital

WITW has no real value to HBC. I know some have suggested we could upload Erwin Lutzer messages, but that is not really beneficial. The only things of real value are the \$2M cash and the \$100k cash. We have great negotiating leverage right now. Consider these recent developments:

• We now have the TBN money. This was Pastor James' biggest bargaining chip, and it is gone

• He just discovered we have stopped receiving WITW donations as of March 1, and he is scared

• He is aware of a possible “disqualified” notice going to former WITW donors, and he is petrified

I would like to suggest our desired outcome can be crystallized into these points:

• HBC retains WITW cash

• HBC avoids arbitration, or worse, with Pastor James

• Pastor James is prohibited from defaming HBC, its elders, or its leaders

• He agrees to pay taxes on all items deemed “personal inurement” from HBC and WITW

• He agrees to indemnify HBC et al from any and all lawsuits related to his tenure at HBC

• He agrees to walk away from the Rabbi trust money

We are in a strong negotiating position. The threat of sending a “disqualified” email to the WITW donor base is powerful leverage. We should use it to drive this negotiation to a conclusion. Thank you,

**Stephenstewart**

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**From:** Patty Staples [REDACTED]  
**Sent:** Thursday, May 30, 2019 1:14 PM  
**To:** Carl Barkow  
**Cc:** Jeff Sharda  
**Subject:** RE: EXTERNAL: RE: Follow-up questions

Thank you!!



**Patty Staples**  
Senior Vice President/Chief Credit Officer  
Evangelical Christian Credit Union  
[REDACTED]  
[REDACTED]

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**From:** Carl Barkow [REDACTED] >  
**Sent:** Wednesday, May 29, 2019 2:31 PM  
**To:** Patty Staples [REDACTED] >  
**Cc:** Jeff Sharda [REDACTED] >  
**Subject:** EXTERNAL: RE: Follow-up questions

See below and attached

**CRB**



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**From:** Patty Staples [REDACTED]  
**Sent:** Wednesday, May 29, 2019 9:44 AM  
**To:** Carl Barkow; Jeff Sharda  
**Subject:** Follow-up questions

Gentlemen,

Sorry for texting to the office number In addition to the interim F/S (please provide by campus and consolidated) I need some additional info in preparation for a call with participants.

1. Steps, if any, you anticipate with the monies set aside for the deferred comp plan. Re-purpose? Leave as-is? We are in the process of uncovering what we can legally do with these monies. We have reason to believe they may be held in a

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## *Minutes for Elder Meeting – August 6, 2019*

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**Board:** Elder Board Meeting Minutes

**Location:** Rolling Meadows

**Date:** 8/6/2019

**Current Elders:** Al Miranda, Brian Laird, Dave Smoot, David Cryder, Darrin Weidman, Jasen Day, Karl Jackson, Kent Jaeger, Tim Stoner.

**Attending Elders:** Al Miranda, Brian Laird, David Cryder, Darrin Weidman, Jasen Day, Karl Jackson, Kent Jaeger, Tim Stoner.

**Absent Elders:** Dave Smoot

**Electronically Attending Elder:** N/A

**Acting Chairman:** Brian Laird

**Acting Secretary:** Kent Jaeger

**Attending Guests:** Greg Bradshaw (CLT head pastor); Todd Rukes (CLT, HR);

**Electronically Attending Guests:** N/A

**Administrative Support:** Diane Birkenstock

### **Agenda**

1. Open in prayer & Devotional– Darrin
  - Col 1:9-10 - prayer is essential and the Lord needs to be guiding – walk in a manner worthy and pleasing to Him – what do I need to grow in Lord? Ask those closest to you, spouse and be prayed up – what areas need work in you?
2. Review and Approve prior meeting minutes– Kent / Jasen
  - Tim made a motion - Al seconded it - Approved
3. CLT top five items– Greg B.
  - Staffing – Jason has left – Lord answered much prayer – from contentious to him feeling loved and cared for – CP’s and wives dinner Saturday night – Reception on Sunday went well – as good as it could have been
  - Exec Pastor at Highpoint – Steve Smith meeting Friday morning with Greg – understood the timing with a minimum of November – spoke about different options – announce and transition over a month or two or release immediately – Craig needs to make a decision and Greg thinks it isn’t the best thing for him personally – he is leaning towards leaving because he wants a fresh start – still talking but thinks he’s leaning towards leaving – will know more by EOM – won’t leave by kick off
  - Student ministry – Dr. V and Jake Van Giles – Jake is excited – how to backfill RM – lots of scenarios – concerned because we can’t hire someone so we need to cover – make sure everyone’s fully employed – traditionally RM and EL have had 2 student pastors
  - Wake Up conference will happen in February 2020 in lieu of Winterfest
  - Child Protection Policy – close to final – Sally reviewing this week – should be done next week – won’t going to be published, but anyone can ask for it – updating the current policy – Tommy has been heading up the staff – all children’s workers and directors will go over the new policy – advisement contacts in place are 6 employees – Todd to send policy to Elders
  - Finance – ECCU how to get money released, Carl meeting tonight – swap assets if Fidelity can make the change – Giving weekend good 357K preliminary
  - Deerfield Rd – Dr. V and Jake this Sunday????

- There seems to be confusion about the fact that we have money and are asking for money – we need both!
- Rabbi Trust – is there an actual trust? Don't believe there is one – legal opinion needed
- Kevin Todd's organization has experts on staff for trusts/deferred comp which was a part of the decision-making process
- Any free legal help should go through Brian/Al with engagement letter even if pro bono

- Brian Laird will either attend the Finance Committee next Monday night in person or via RingCentral
- We need a legal opinion to get our hands on the Fidelity cash or to not touch it – Elders will have to decide – there is a very specific path to do this – must become trustees on the account – waiting on Fidelity
- ECCU – says they will find a way to get it done and get our request granted – may be different than our ask but felt that this would happen - no sense of timing other than when we run out of money – keep praying

- Sharda – what is D day? – End of September? End of October? Tim will get back on this
- Discovery – With regard to forensic audit, Kevin Todd says opposing party can't disclose information on it's own but the owner can release it
- Financial audit should be released by auditors and not staff
- Album can move forward – 50K can be put up by VW and not the church which is a relief on cash

d. Deacons – Cryder / Jackson

Nothing to report

Joanna Van Lear – social worker assistance

8. Officer Updates (as needed)

- a. Greg – not a lot of unity between CLT and Elders – asked if one or more Elders would come to the CLT meeting – Brian willing to go

9. Internal Elder Business

- a. When should we meet with the previous elders named in report regarding James
- Does Elder Board want to meet with them or the new team? New team and elders as able
  - Do we need to agree with former elders or just gather information?
  - Sally to talk with former elders about the draft for clarification – consensus
  - Who's on the team? Kent Jaeger, David Cryder, Brian Laird - consensus
- b. Should we survey the church about how to best communicate to them?
- Not at this time
  - Simple statement to congregation at end of service – recap of what was posted on the website or church updates

- Which Elders are participating? Al Miranda
- Need to select an elder(s) to work on a training plan – not discussed
- c. Legal – Al / Brian
  - Update on arbitration – see above
  - Update on counter claims – next week
  - Need to become named agent of corporation – Sharda may be new agent for reporting/filing annual report – no decision
- d. Finance – Tim / Darrin
  - Status update of ECCU transfer of money – on track – credit committee meets on Friday – 4M released, 1M to payback debt in good faith – final doc on Monday/Tuesday- not public knowledge until finalized and received – when this happens FC needs to draft communication for Elders
  - Update of Finance Committee Communication (video) to church – Tim
    - FC would like Elders to make video for this weekend
    - Need congregation to see transparency of Elders
    - David doesn't think video will be ready this weekend
    - People want something from elders
    - Much discussion about Elder vs. FC announcement this weekend
    - Vision most important
  - HSA contribution of \$2,500 to be discussed at Finance Committee meeting – didn't happen
  - Cash flow plan – D day is now second week of Oct due to unexpected giving the last two weeks
  - Fidelity won't release funds due to dispute with James – locked funds when they received letter from James' attorneys
  - Pursued every avenue we had

Break

- Elder video needed – this weekend
  - Summit recap
    - Better together – One church, six campuses
    - Core values not changing
    - Some structure – TP, MP answers directly to EB
    - Finance committee update next week
  - Discussion related to structure – were decisions made or not?

10:00pm Dave Smoot left

- Tim will write statement and put on slack

10:03pm Greg joined the meeting

- Tim will submit a statement to CLT, CP and EB for approval
- e. Greg gave update on RM meeting
  - i. Biggest issues.
    1. Disqualification
    2. Vision – where are we going
  - ii. Other issues.
    - Corporate repentance
    - Salaries not being disclosed

9:51

82%

Jeff Smith HBC

Mobile

4/28/19 3:27 PM

Spending great time with patty and touring and discussing things. I need to communicate 2 things to you related to James ' agmt:

I cannot transfer any church asset, tangible or intangible to any 3rd party without all 30 banks approval. The bank is not making James a priority, given larger, more complex issues.

James will have to be patient with anything in the agmt. It will be July before we get to him.

We need to get James behind us or it will prevent the church from moving forward. That's the message we need to convey to ECCU.

You have done that already with this agmt.

4/28/19 3:50 PM

## 5. Committee and Officer Updates

### a. Communications – Kent / Jasen

- Started with emails – will send mass email out tomorrow to those older than 2 weeks through Sherri Smith
- Secretary role:
- Got minutes direction from Sally – will work with Diane on minutes for our meetings and communicate to Elders for their knowledge and use in subcommittees –
- Discussion on what should be in minutes – Kent will come back with bullet point summary on minutes and also record retention policies for the church

### b. Legal – Al

#### i. Wagenmaker discussion – notes from phone conversation on Slack

- Self-reporting - we are not required and she doesn't recommend it
- W2's should be changed but nothing until financial review is done
- She is willing to assist Courtney Fong with by-laws
- Memos to Elders on Slack need to be read
- CLT should have consulted Elders before statement went out - Wagenmaker wrote a response to it
- Al – ask Courtney Fong what do we need to do immediately knowing we will have a full rewrite

### c. Finance – Darrin / Tim

#### i. Observations

- How do we get the congregation to get inspired to let them know we're going somewhere?
- Get back to the basics – we need the vision to get this done
- One of the banks isn't happy that audit isn't done – could cost 2% higher interest rate

#### ii. Finance Committee selection –

- Next Tuesday will have names for selection of members –
- References are coming from small group leaders/coaches and need to be regular givers – needs to have a balance
- Want the guideline of how they were chosen and what board looks like moving forward – request led by Kent
- First meeting July 10 - Darrin, Tim, Jeff Sharda, Kelly Altieri members and Carl Barkow to be invited in the beginning

#### iii. Other discussion

- Payroll discussion – who gets to see – future discussion
- Expenses 1.5M per month – giving isn't covering and it's coming from WITW 2M
- Discussion about how we're going to lead with James still in the picture – get back to the mission of the church and how to tie up loose ends – understand it will all take time