

## PRELIMINARY REPORT FROM SDK

### PRIVILEGED AND HIGHLY CONFIDENTIAL: Phase I Report in re: Harvest Bible Chapel

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Throughout our investigation, we met with and/or performed multiple informational inquiries of current HBC employees. Our correspondence was primarily with the following individuals:<sup>11</sup>

- Kelly Altieri, HBC Director of Accounting
- Carl Barkow, HBC Managing Director of Business Operations and Stewardship
- Diane Birkenstock, HBC Payroll and Benefits Manager
- Laura Schroeder, HBC Business Operations Project Manager
- Jeff Sharda, HBC Chief Financial Officer
- Steven Stewart, WITW Chief Financial Officer

SDK notes that the lack of transparency with the Private Accounts and turnover of personnel within HBC had an effect on the quality and availability of all relevant records and our ability to make inquiries. It is our understanding that the employees with intimate and contemporaneous knowledge of the transactions within the Private Accounts are no longer employed with HBC (i.e., James MacDonald, Sharon Kostal, Fred Adams, Scott Milholland, Chris Nudo) As a result, certain supporting documents were located in various locations and were not known about by many of the HBC personnel<sup>12</sup> and helpful explanations were not easily obtained.<sup>13</sup>

*Understandably, SDK simply believed what they were told. In reality we were begging and lobbying and doing all we could to get a hearing, and as late as March were told by Smith/Sharda that they wanted our input (see attached), including sending in OSP expense reconciliations and detailed explanations of how the OSP finances worked to maintain 100% integrity.*

## Summary Phase I Report in re: Harvest Bible Chapel

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We understand that our SDK Summary Report will be attached to your summary legal evaluation (“Summary Legal Evaluation”) that you plan to issue to HBC, which will then be distributed in paper copy only to the members of HBC. You have not agreed to post this on the internet,

directly or by social media. Please note that the SDK Summary Report should only be read in conjunction with the Summary Legal Evaluation. Our SDK Summary Report should not be distributed to any other parties or for any other purpose without our prior approval.

**SCOPE**

**Subject:** Fw: Confidential SDK Draft Summary Report  
**Date:** Monday, November 18, 2019 at 12:11:39 PM Eastern Standard Time  
**From:** tstoner@harvestbiblechapel.org  
**To:** jsharda@harvestbiblechapel.org, kaltieri@harvestbiblechapel.org  
**Attachments:** 2019-11-15.Draft Summary Report.pdf

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**From:** Jonathan S Hwang  
**Sent:** Friday, November 15, 2019 4:39 PM  
**To:** Brian Laird ; Al Miranda ; Tim Stoner  
**Cc:** Sally R Wagenmaker  
**Subject:** Confidential SDK Draft Summary Report  
Dear Brian, Al, and Tim,

I hope all is well. It was good to speak with you earlier this week concerning the upcoming meetings and decisions on how best to update the congregation.

I am attaching the draft summary report from SDK which I received this afternoon per the request of the HBC Elders. Given the preliminary nature of the report and that these are findings are not final, any public disclosure beyond the Elder Board and Finance Committee carries significant legal risks to both the church and its leaders. Accordingly, our initial recommendation is to await the final report and then to assess the potential legal issues associated with such disclosure and implement appropriate safeguards to mitigate against the same.

However, we fully understand the elders' position and timing considerations. Sally will be back in the office on Monday and will be able to provide some additional guidance on these important issues. Would you be available at 1:00 PM Central Time for a teleconference?

Best regards,  
Jonathan

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**JONATHAN S. HWANG** | [Attorney at Law](#)  
[Wagenmaker & Oberly, LLC](#) | Trusted Advisors to Nonprofits

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- Can we have Sally recommend a list of counter claims and spend the money to pay her?
- Text from Carl stating that the bank is willing to give us 3M not 1.8M - all prayed for God's goodness in answering our prayer no matter what comes with it

8. Discuss when, what, how we should communicate to the congregation regarding the Wagenmaker document

- a. What is the process to validate it?
- b. Who should see what prior to releasing it?
- c. Should it be released all at once or in parts? Secondary question is should it be released prior to OR in conjunction with the financial audit?
- d. When should we be releasing it?

Discussion about what and when –need to validate the report – then figure out what to release if anything

Financial review will give to James a report of all he owes/or is in dispute so he can respond

Get former elders together with Sally to discuss her findings

Summarize Sally's report and validate/correct parts of governance that are inaccurate and release details of the financial review and release at the same time written by Sally –three weeks(Aug 27) come with what should be in summary not including finances in Sally's report – consider Kevin's input to see how this affects arbitration – needs to be a process around releasing information

## ELDER UPDATE NOVEMBER 21, 2019 TRANSCRIPT

### Brian Laird's opening:

Hello Harvest family. We want to welcome you here in Elgin as well as everyone who is joining us live from our other campuses. This is an important evening in the life of our church and we have some sobering information to pass along to you. And what we pray is some hopeful information as well. I'd like to start in prayer before we dive in. Will you please join me?

Heavenly father. Lord, we just want to seek you as a church. And Lord, we just want to humbly ask tonight that you give us clarity in our speech, wisdom in how we think. But Lord, most importantly, will you give us purity in our thoughts? Lord, I ask that you will strengthen Tim and myself as we try to do our best to lead our congregation through this information. Most importantly, Lord, will you bless us by keeping us moving forward for your glory and not ours? In Jesus name I pray and all God's people said, "Amen."

So I'd like to start by stating that our goal for this evening is to honor God first and foremost, to love his church by being truthful and grace-filled. And to give you hope that this is a new day, a new day to help you heal. As elders, we want to shepherd the flock and love the people of Harvest Bible Chapel by being open and honest about some of the issues we have had in the past. We also want everything we do to be done in love, even when it's difficult. And finally, we want to build confidence that a new day is upon us. A new day of improved transparency, accountability, integrity, and love. Our heart is to bring the light of day and the sting of medicine to clean out the wound so our body can begin to continue or continue to heal.

We do not intend to rush you to healing, but we want to lovingly, gently, and purposefully move you toward health and wholeness, to restored relationships and effective, joyful service to our Lord Jesus Christ. So how are we going to do that? How are we going to proceed this evening? First, we will explain the process of the legal evaluation and the accompanying financial review and then we'll report their findings as well as the next steps that are going to be taken. At the end of the evening, we will stay down front with some of the members of our finance committee to individually answer questions that you may have. Additionally, by the time you get home tonight, the independent third party legal evaluation that includes the findings from the forensic accountants will be posted to the Harvest website under the elder updates page.

We're going to tell you about our attorney and what the forensic accountants found as they evaluated our church, particularly the spending in the office of the former senior pastor. What you're about to hear tonight and read later is not a sanitized version, it is the full report. When you see the documents posted tonight, we believe you will have a full and clear understanding of what happened and why it happened. We are working to do the best that we can do to earn trust as your leaders and we are praying most of all that we want to lead you well and that's our desire. I'm now going to ask Tim Stoner, our elder from Deerfield Road campus who's leading our finance committee as the elder board treasurer, who's going to walk us through the review.