

1 OFFER OF PROOF NUMBER TWO

2 (The Witness is Mr. Alan Lovejoy.)

3 MR. MILLER: Now, in preparing this
4 document where did you get these figures from, Mr.
5 Lovejoy?

6 THE WITNESS: The sales figures were taken
7 from the audit report and statement of activities. The
8 satellite purchase figure is taken directly off of the
9 audit report.

10 The newsletter expense is taken off of the
11 audit report, as well as the literature and the rental
12 expense. The depreciation was taken from my
13 depreciation schedule.

14 Q. And you would depreciate these schedules as
15 part of what?

16 A. The work papers, the audit work papers. The
17 depreciation only shows in total in the audit report,
18 so I went to the audit work papers to select the amount
19 of depreciation that was taken on production type
20 facilities and equipment during the year, and that's
21 the amount in the parenthesis to the left, the full
22 amount.

23 The airtime expense, the amount on the left
24 again was taken directly from the financial statement,

1 as well as downlink expense and broadcasting supplies.

2 Q. And where did you get the 20 percent figure
3 from?

4 A. It is my understanding from Danny and from
5 Larry Ewing that approximately 20 percent of their
6 programming results in these airtime sales.

7 Q. So that's the one figure that you would have
8 received from outside your work papers or the audit
9 report, is that right?

10 A. Correct.

11 Q. Okay. And what did it show the overall
12 profit or loss for the year 2000 as being?

13 A. It shows the overall loss to be almost
14 \$642,000.

15 MR. MILLER: Okay. That's a sufficient offer
16 of proof for this document.

17 MS. RHOADES: I would like to do some cross
18 examination if I may.

19 ADMINISTRATIVE LAW JUDGE: Yeah.

20 Do you want to do that now or have you
21 finished?

22 MR. MILLER: No. Let me finish my offer of
23 proof.

24 ADMINISTRATIVE LAW JUDGE: Let him finish.

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1 MS. RHOADES: And I'll let you know.

2 MR. MILLER: I'll do this quickly. It's the
3 same --

4 ADMINISTRATIVE LAW JUDGE: Yeah. I think he
5 probably has both years.

6 MS. RHOADES: I mean, Judge, if I may, I think
7 it might be easier to do the cross after --

8 MR. MILLER: There is another one.

9 ADMINISTRATIVE LAW JUDGE: I believe that it's
10 the next year.

11 MR. MILLER: I'm just meaning the 2000/2001.

12 I've given you another document.

13 Do you recognize this document?

14 THE WITNESS: Yes.

15 Q. And what is this document?

16 Is this the same as the document I just
17 proffered you but for the year 2001?

18 A. It is the same as that document only for the
19 year 2001.

20 Q. And were the figures gained in the same way?

21 A. Yes, they were.

22 Q. And at the end, the bottom line, your review
23 of what happened in 2001 as far as a profit or loss
24 from sales?

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1 A. It was a loss of \$3,979.82.

2 MR. MILLER: Okay. I'd make an offer of proof
3 with Applicant's Number 22, and I will -- that's the
4 end of my offer of proof.

5 ADMINISTRATIVE LAW JUDGE: All right.

6 MR. MILLER: And maybe we should allow the
7 cross examination.

8 ADMINISTRATIVE LAW JUDGE: I think the cross
9 now.

10 MS. RHOADES: I think it would be easier for
11 purposes of the record.

12 CROSS EXAMINATION

13 BY MS. RHOADES:

14 Q. With respect to Applicant's Exhibit Number
15 22, Mr. Lovejoy, you include expenses in there for
16 newsletters.

17 Why did you include the expense of
18 newsletters under video and other?

19 A. Okay. Video and other includes other items
20 like books and literature. These newsletters we
21 consider to be freebee giveaways, free giveaways. That
22 would be lumped in with this other miscellaneous sales.

23 Q. But it is not -- it is not something that,
24 for instance, Three Angels Broadcasting Network does

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1 not charge anybody for their newsletters, correct?

2 A. Correct.

3 Q. You have other items in here that are
4 freebees or giveaways that are listed in here?

5 A. Well, let me put it this way. I could have
6 made another line with zero revenue and just have shown
7 this as a free, shown this as an expense also. It
8 would have the same result.

9 Q. Let me ask you this, why is it an expense
10 when it's a newsletter that they produce?

11 It doesn't directly relate to their -- to
12 their videos, CDs or cassette sales.

13 A. I believe it does, because it makes people
14 aware of those.

15 Q. So that's how you do it, is because they use
16 it as an advertising mechanism?

17 A. Well, it is a newsletter. It's a giveaway.
18 It also provides information about the organization.
19 It costs them money to do that. They could charge
20 people for that newsletter, but they don't.

21 Q. Now, you also include in there rental
22 expenses. Why do you include rental income?

23 Yeah. Are you talking about the properties
24 that they rent and somehow that's related to and get

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1 profits off of, that that's somehow related to CDs,
2 video sales, or airtime sales or satellite sales?

3 A. To me these are four different categories.
4 They each stand on their own.

5 Q. Okay. Now, you have expenses related to, it
6 says analysis of sales, so rental income is sales?

7 Is that what you're testifying?

8 A. No, I'm not, but.

9 Q. Isn't that what your document is entitled?

10 A. That's what the document says, yes.

11 Q. Now, with regard to literature, you have
12 \$139,459.55 attributed as an expense, correct?

13 A. Uh-huh.

14 Q. To video and others, and, again, do you have
15 any records or any documents that would indicate that
16 that is directly related to that revenue generated item
17 of video, CDs, and cassettes?

18 A. Yes, because it includes book purchases and
19 books are included in this other.

20 Q. And how much, did you go back and
21 subsequently do an analysis with regard to the amounts
22 of books that were given away and done a cost analysis
23 with respect to that line item?

24 A. That would be ridiculous.

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1 Q. Can I ask you this question?

2 Did you look at this in the year 2000, these
3 very issues?

4 A. I looked at --

5 Q. This document, did you do this analysis in
6 the year 2000 that it purports to be?

7 A. No.

8 MR. MILLER: Objection, asked and answered.

9 MS. RHOADES: You did not do it in 2000?

10 ADMINISTRATIVE LAW JUDGE: He answered.

11 MS. RHOADES: Okay. With respect to 2001, that
12 particular document, now, you again attribute
13 newsletters.

14 I would assume that that's the same responses
15 you gave for 2000?

16 THE WITNESS: Yes.

17 Q. And the same thing with regard to literature?

18 A. Yes.

19 Q. And that those items would in fact encompass
20 other information, other offers that are given that are
21 not revenue generated?

22 A. I believe they would, yes.

23 Q. Now, with respect to the 20 percent, you did
24 not do an analysis whether or not that 20 percent is in

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1 fact an accurate percentage?

2 A. No.

3 Q. And you relied solely on the statement of
4 Danny Shelton with respect to that percentage?

5 MR. MILLER: Objection, asked and answered. I
6 believe that was brought out on direct in fact.

7 MS. RHOADES: I don't believe so. It was in
8 the offer of proof.

9 ADMINISTRATIVE LAW JUDGE: I don't remember it
10 being only Danny Shelton.

11 MS. RHOADES: Yeah.

12 ADMINISTRATIVE LAW JUDGE: Would be my -- I
13 don't remember it exactly that so.

14 MR. MILLER: That's fine.

15 ADMINISTRATIVE LAW JUDGE: I go ahead and
16 direct you to answer that.

17 THE WITNESS: Please repeat that.

18 (Whereupon the requested
19 portion of the record was read
20 back by the Reporter.)

21 THE WITNESS: I believe I said I relied on the
22 statements of Danny and, Danny Shelton and Larry Ewing.

23 MS. RHOADES: And with regard to Larry Ewing,
24 were you apprised of any information or time studies

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1 that he had performed in order to come up and verified
2 the 20 percent figure?

3 A. No.

4 Q. And are you aware of any time studies that
5 were done by Mr. Shelton to verify the 20 percent
6 allocation figure?

7 A. No.

8 MS. RHOADES: I have no further questions for
9 this offer of proof. I think Mr. Steinkamp does.

10 MR. STEINKAMP: I just have a couple of
11 questions.

12 EXAMINATION

13 BY MR. STEINKAMP:

14 Q. When you talk about your expense for
15 newsletter and literature that's on the second last and
16 third last lines there, where do you get that figure?

17 How do you calculate the cost of an item
18 that's been given away?

19 A. These figures come directly from our audit
20 report.

21 Q. Uh-huh.

22 Are they -- are you counting these expenses
23 twice then, because aren't you also -- aren't you
24 attributing some of the expenses that have already been

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1 attributed to these giveaways to the expenses that
2 you're breaking down here for these?

3 It's just a question.

4 A. No. There is no double expense here. I
5 guess I'm not following.

6 Q. Where does the cost for the giveaway items,
7 from what is that calculated?

8 A. What I'm saying is, the newsletter would be
9 considered a giveaway item.

10 Q. Uh-huh.

11 A. And it cost \$173,000 to produce those items,
12 and those were given away.

13 Q. Okay. Does -- does any of the cost that goes
14 into the production of those giveaways also get
15 included in your other six categories?

16 A. No, that's not duplicated elsewhere.

17 MR. STEINKAMP: Okay. Thank you. I have no
18 further questions.

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THREE ANGELS BROADCASTING NETWORK, INC.
ANALYSIS OF SALES
FOR THE YEAR 2000

Ex. SS

	Airtime Sales	Satellite Sales	Video and Other	Rental Income	Total
Sales	603,842.23	2,665,397.84	146,300.30	31,347.49	3,446,887.86
Expenses					
Depreciation on buildings (53,390.82 X 20%)	(10,678.16)				(10,678.16)
Depreciation on downlinks (465,759.24 X 20%)	(93,151.84)				(93,151.84)
Depreciation on production equipment (483,474.54 X 20%)	(96,694.91)				(96,694.91)
Airtime expense (1,851,467.75 X 20%)	(370,293.55)				(370,293.55)
Downlink expense (878,101.18 X 20%)	(175,620.24)				(175,620.24)
Supplies Broadcasting (398,275.86 X 20%)	(79,655.17)				(79,655.17)
Satellite purchases		(2,995,088.49)			(2,995,088.49)
Newsletter			(114,936.03)		(114,936.03)
Literature			(139,459.55)		(139,459.55)
Rental expenses				(13,295.49)	(13,295.49)
	(222,251.64)	(329,690.65)	(108,095.28)	18,052.00	(641,985.57)

EXHIBIT
APPLICANT'S
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THREE ANGELS BROADCASTING NETWORK, INC.
ANALYSIS OF SALES
FOR THE YEAR 2001

Ex. TT

	Airtime Sales	Satellite Sales	Video and Other	Rental Income	Total
Sales	857,768.47	618,832.21	251,109.82	35,039.93	1,762,750.43
Expenses					
Depreciation on building (65,506.74 X 20%)	(13,101.35)				(13,101.35)
Depreciation on downlinks (497,594.59 X 20%)	(99,518.92)				(99,518.92)
Depreciation on production equipment (503,594.59 X 20%)	(100,718.92)				(100,718.92)
Airtime expense (2,139,050.5 X 20%)	(427,810.10)				(427,810.10)
Downlink expense (841,049.96 X 20%)	(168,209.99)				(168,209.99)
Supplies Broadcasting (209,142.00 X 20%)	(41,828.40)				(41,828.40)
Satellite purchases		(460,500.32)			(460,500.32)
Wages (825,160.07 X 20%)	(165,032.01)				(165,032.01)
Newsletter			(173,655.01)		(173,655.01)
Literature			(105,779.46)		(105,779.46)
Rental expenses				(10,575.77)	(10,575.77)
	<u>(158,451.22)</u>	<u>158,331.89</u>	<u>(28,324.65)</u>	<u>24,464.16</u>	<u>(3,979.82)</u>

Depr allocated 1,066,695.92
Total depr 1,594,085.78

EXHIBIT
APPLICANT'S
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2007, to be issued and served upon MidCountry Bank, N.A. (“MidCountry”). This third-party subpoena seeks the business records of a bank that are reasonably calculated to lead to the discovery of admissible evidence in the underlying suit. The bank records in question are only for accounts for which Plaintiff Danny Lee Shelton is a signatory.

These bank records are necessary under the rules of evidence to tie together information from tax returns and third-party statements and to demonstrate that private inurement was not properly disclosed on 3ABN’s Form 990’s and/or financial statements. These bank records are critical to the completion of the evidentiary trail at bar.

Plaintiff Shelton’s motion should be denied for sundry reasons.

STATEMENT OF RELEVANT FACTS

Background

Three Angels Broadcasting Network, Inc. (“3ABN”) is a publicly supported, non-profit, 501(c)3 organization, and is a supporting ministry of the Seventh-day Adventist Church. From 1985 until September 2007, Plaintiff Shelton was the president, CEO, and managing director of 3ABN, and he remains an influential director of and the only founder still employed by 3ABN.

On June 17, 2004, Plaintiff Danny Shelton in a globally televised broadcast told the world, “It’s your ministry. I’ve said that for years. It’s not our ministry.” He stated that 3ABN belonged to its donors and viewers, that they had a right to know what was going on at 3ABN, that what he did was “very public,” and that “our lives are an open book.” See Affidavit of Robert Pickle at ¶ 4 (hereafter “Pickle Aff.”). Thus Plaintiff Shelton declared to the world his long-held position that the public has a right to know information that would otherwise be private.

Plaintiff Danny Shelton has been the subject of numerous and varied allegations of malfeasance and misconduct, as well as negative internet commentary, long before either Defendant became involved in mid-August 2006. These allegations have included wrongful

termination, sexual assault, the ignoring or cover up of child molestation allegations, unbiblical divorce, deceit, and private inurement.

In mid-August 2006 the Defendants launched ecclesiastical investigations into the conduct of Plaintiff Shelton, and began publishing investigative reports in harmony with their First Amendment rights of Freedom of Religion, Freedom of Speech, and Freedom of the Press. The Plaintiffs repeatedly claimed that they had evidence to prove various allegations false while also refusing to provide that evidence to those who inquired.

The Plaintiffs have taken their attempts at secrecy to such extremes that they have yet to produce one single document in the underlying suit, even documents referenced in their initial disclosures on August 3, 2007. The Plaintiffs have taken the unusual position that everything is either confidential, privileged, or irrelevant. See Pickle Aff. at ¶¶ 6–7, Ex. A.

A status conference was held on December 14, 2007, in which Attorney Hayes referred to two subpoenas served upon banks. She specifically referred to the fact that a subpoena served upon MidCountry had not been issued from the District of Minnesota. Attorney Hayes requested a stay of discovery until a yet unfiled motion for a protective order was heard, a request that was denied. The Honorable Judge Saylor specifically stated in that conference that any protective order would have to be narrowly tailored. Attorney Hayes did not request a special master then or later. See Pickle Aff. at ¶ 9.

Adding the date of December 14, 2007, to other dates referred to in Plaintiff Shelton's Memorandum in support of the instant motion (hereafter "Shelton Memo."), we have the following chronology:

- December 6, 2007 – Date of issue of first third-party subpoena to MidCountry, issued from District of Massachusetts. See Shelton Memo., p. 3, fn. 1.
- December 7, 2007 – Date of service of Defendant Pickle's Requests for Production of

Documents to Plaintiff Shelton. See Shelton Memo., p. 3.

- December 12, 2007 – Date of issue of second third-party subpoena to MidCountry, issued from District of Minnesota. See Shelton Memo., p. 4.
- December 14, 2007 – Attorney Hayes acknowledged that MidCountry had been served with a subpoena issued from the District of Minnesota.
- December 18, 2007 – Date Plaintiffs’ Motion for Protective Order was filed. Id.
- January 9, 2008 – Date Plaintiff Shelton served his responses to Defendant Pickle’s Requests for Production of Documents. Id.

MidCountry responded to these third-party subpoenas with a schedule of fees, and with a list of ten different accounts that Plaintiff Shelton had been signatory to, eight of which he had been signatory to at the same time. See Pickle Aff., Ex. C–E.

Private Inurement

Regarding financial allegations, the complaint of the underlying suit states in part:

46. Gailon Joy and Robert Pickle have published numerous untrue statements that 3ABN and its President Danny Shelton have committed financial improprieties with donated ministry funds. Among those untrue statements made by Joy and Pickle are, *inter alia*, that: ...

g. 3ABN Board members have personally enriched themselves as officers and directors of 3ABN in violation of the Internal Revenue Code.

h. Danny Shelton wrongfully withheld book royalties from 3ABN and refused to disclose those royalties in proceedings before a court of law related to the distribution of marital assets.

In particular, “g” is used by the complaint as a foundation for claims of defamation *per se*, transferring the burden of proof to some extent to the Defendants.

In 1998 Plaintiff Shelton bought a house from 3ABN for \$6,139 and sold it one week later for \$135,000. See Pickle Aff. at ¶ 11, Ex. F–G. These real estate transactions were:

- reported on Save3ABN.com around June 2007,
- referred to in Defendant Pickle's letter to Attorney Hayes of November 30, 2007,
- and became part of court record in the District of Massachusetts on January 2, 2008, as part of Defendant Pickle's Opposition to the Plaintiffs' Motion for a Protective Order.

See Pickle Aff. at ¶ 11, Ex. F–I. Thus, Attorney Hayes is well aware of this 1998 real estate transaction.

Plaintiff Shelton signed the 1998 Form 990 under penalty of perjury. See Pickle Aff., Ex. J at p. 6. That form denied that any section 4958 excess benefit transactions or transfer of assets had taken place during the year, even though an attachment acknowledged that a house had been sold to someone for \$6,129, a price acknowledged to be far below fair market value. See Pickle Aff., Ex. J at ln. 89b, Sched. A, pt. III, ln. 2e, attached statement for p. 1, pt. 1, ln. 8c.

The Defendants are in possession of reliable statements regarding a “love gift” of \$10,000 being sent by 3ABN to a Shelton family member about 1999. See Pickle Aff. at ¶ 13.

Book Purchases

Judge Barbara Rowe noted in her decision of January 28, 2004, in 3ABN's property tax case that for 2000 and 2001, “Applicant's financial reports raise additional questions and concerns. . . . The ‘related party transactions’ were acknowledged without identifying the parties.” See Pickle Aff., Ex. K at p. 17, fn. 15. Subsequently, 3ABN's financial statements identified D&L Publishing and DLS Publishing as related parties from 2002 through 2004 and acknowledged total purchases from them for those years of \$283,449.38. See Pickle Aff., Ex. L–N at n. 14. For 2005 and 2006, Plaintiff Shelton's publishing ventures are again off the radar, with the financial statements for those years merely stating that 3ABN purchased a combined total of \$3,065,506.14 worth of books authored by a member of management. See Pickle Aff., Ex. O–P at n. 14.

C. The Third-Party Subpoena Is Profitable, Not Unduly Burdensome, to Midcountry

The fees charged by MidCountry for complying with the many subpoenas they receive indicate that complying with subpoenas is profitable for MidCountry, not burdensome. See Pickle Aff., Ex. C–E.

Additionally, Plaintiff Shelton and Attorney Hayes' efforts to portray Defendant Pickle's third-party subpoenas as a deceitful end-run to avoid dealing with motions to compel Plaintiff Shelton to produce and to avoid dealing with and waiting for the pending Motion for a Protective Order in the District of Massachusetts (see Shelton Memo., p. 8) are laughable and a fraud upon the court.

First of all, Plaintiff Shelton's memorandum acknowledges that the date of issue of the third-party subpoena in question is *prior to*, not *after*, a) the filing of Plaintiffs' Motion for a Protective Order, and b) the serving of Plaintiff Shelton's responses to Defendant Pickle's Requests for Production of Documents. See supra, pp. 3–4. Second, Attorney Hayes acknowledged in the status conference of December 14, 2007, that she knew that the first subpoena for MidCountry had already been served, and thus acknowledged that it predated the Plaintiffs' Motion for a Protective Order and Plaintiff Shelton's objections to Defendant Pickle's requests. See Pickle Aff. at ¶ 9. Third, Attorney Hayes was told by Judge Dennis Saylor in that same status conference that discovery would not be stayed while waiting for a decision upon the Plaintiffs' yet unfiled Motion for a Protective Order, despite Attorney Hayes' request for a stay. Id.

There simply was no end to run around, and thus the whole allegation of an end-run is a fraud upon the court.

D. The Third-Party Subpoena Is Not Overbroad

But the above is not the only fraud upon the court perpetrated by Plaintiff Shelton and his

attorney in the motion before this Court. Plaintiff Shelton's Memorandum contends that a third-party subpoena requesting bank records dating back to 1998 is overbroad because "the earliest occurrence of any event that might arguably be considered relevant to the Plaintiffs' claims is 2001." See Shelton Memo., p. 9. And yet both Attorney Hayes and her client are well aware of the 1998 private inuring of Plaintiff Shelton by 3ABN, whereby he bought a house from 3ABN for \$6,139 and sold it one week later for \$135,000. See supra, pp. 4–5.

Moreover, the Plaintiffs in the complaint of the underlying suit allege that the Defendants have defamed and disparaged by accusing 3ABN officers and directors of privately enriching themselves in violation of the Internal Revenue Code. See ¶ 46(g), quoted above. Thus, Plaintiff Shelton and his attorney's contention that MidCountry's records concerning Plaintiff Shelton's personal accounts are irrelevant to Plaintiffs' claims is an additional fraud upon the court.

Furthermore, the complaint of the underlying suit contains allegations that the Defendants have defamed and disparaged by accusing Plaintiff Shelton of misconduct regarding the royalties he earned on his book *Ten Commandments Twice Removed*. See ¶ 46(h), quoted above. This book was distributed in the millions in 2006, put 3ABN around \$3 million in the red for the year, and, according to sources, enabled Plaintiff Shelton to line his pockets with hundreds of thousands of dollars of royalties to the financial detriment of 3ABN. See supra 7–8, Pickle Aff., Ex. X. And yet Plaintiff Shelton and his attorney perpetrate a fraud upon the court by contending in the motion at issue that bank records pertaining to Plaintiff Shelton and his publishing ventures are irrelevant to the underlying suit!

Purported "love gifts" from 3ABN to Plaintiff Shelton's family members in 1999 also show good cause for asking for MidCountry's records prior to 2001. See Pickle Aff. at ¶ 13.

Local Rule 26.5(c)(5) of the District of Massachusetts defines "parties" for discovery purposes as "the party and, where applicable, its officers, directors, employees, partners,

corporate parent, subsidiaries, or affiliates.” Therefore, despite Plaintiff Shelton’s contention that D&L Publishing and DLS Publishing are not “parties” in the underlying suit, “Danny Shelton” by definition includes D&L Publishing and DLS Publishing for discovery purposes. Plaintiff Shelton himself has testified in his affidavit that D&L Publishing is a D.B.A., and that he is the sole officer, director, and shareholder of DLS Publishing. See Shelton Aff. at ¶¶ 3, 5.

Moreover, 3ABN has repeatedly reported D&L Publishing and DLS Publishing in its financial statements as related parties. See Pickle Aff., Ex. L–N at note 14. Based on D.Ma. Local Rule 26.5(c)(5), named Plaintiff “3ABN” includes these entities as well for discovery purposes.

While the copyright page of *The Antichrist Agenda* states that it was published by DLS Publishing in 2004, 3ABN Books’ 2005 *Mending Broken People* claimed that 3ABN Books was the real publisher of *The Antichrist Agenda*. See Pickle Aff., Ex. V–W. This fact also raises the question of whether DLS Publishing is actually an extension of Plaintiff Shelton’s 3ABN operation or a partner thereof.

The relationship between Plaintiff Shelton’s publishing companies and 3ABN is definitely unique. 3ABN appears to be their sole customer, they appear to report no inventory or advertising expense or shipping expense, and 3ABN promotes their publications extensively. See Pickle Aff. at ¶¶ 17–20. Plaintiff Shelton, having held absolute sway over 3ABN, had undue influence over whose books were bought and promoted by 3ABN, in violation of 3ABN’s conflict of interest policy. See Pickle Aff., Ex. Y–Z. The result? 3ABN purchased millions of dollars of product from Plaintiff Shelton, Plaintiff Shelton pocketed the profits, and these transactions were not reported on 3ABN’s Form 990’s. See supra, pp. 5–6.

II. GRANTING PLAINTIFF’S REQUEST FOR A PROTECTIVE ORDER VIOLATES LOCAL RULES AND COURT ORDERS OF THE DISTRICT OF MASSACHUSETTS

Ex. WW

WARRANTY DEED

ILLINOIS STATUTORY

MAIL TO:
 ELORA L. FORD, Trustee
 2804 NEW LAKE ROAD
 WEST FRANKFORT IL 62896

NAME & ADDRESS OF TAXPAYERS:
 ELORA L. FORD, Trustee
 2804 NEW LAKE ROAD
 WEST FRANKFORT 62896

STATE OF ILLINOIS
 County of Franklin *98-6768*
 Document No.
 Filed for record

OCT 02 1998

1:20 o'clock *P.*
 Fee paid \$ *15.00*

Rene Sobill

THE GRANTORS, DANNY L. SHELTON and LINDA S. SHELTON, Husband and Wife, each in their own right and as spouse of the other, of the City of Thompsonville, County of Franklin, State of Illinois, for and in consideration of the sum of **TEN DOLLARS (\$10.00), AND OTHER GOOD AND VALUABLE CONSIDERATION**, in hand paid, the receipt of which is hereby acknowledged, CONVEY and WARRANT TO: **ELORA L. FORD**, as Trustee of **THE FORD FAMILY TRUST** established by the provisions of **THE FORD REVOCABLE TRUST Agreement dated September 23, 1992**, of West Frankfort, Franklin County, Illinois, all interest in the following described Real Estate situated in the County of Franklin, State of Illinois, to-wit:

LOT SIX (6) IN SURVEYOR'S PLAT OF THE NORTHEAST QUARTER (NE 1/4) OF SECTION 16, TOWNSHIP 7 SOUTH, RANGE 4 EAST OF THE THIRD PRINCIPAL MERIDIAN, EXCEPT THE COAL, OIL, GAS AND OTHER MINERALS UNDERLYING THE SAME, SITUATED IN FRANKLIN COUNTY, ILLINOIS.

hereby releasing and waiving all rights under and by virtue of the Homestead Exemption Laws of the State of Illinois.

D. MICHAEL RIVA, AS PREPARER OF THIS DEED, HAS MADE NO INVESTIGATION CONCERNING ANY POSSIBLE VIOLATIONS OF ANY ENVIRONMENTAL LAWS OR REGULATIONS INCLUDING, BUT NOT LIMITED TO, THE ILLINOIS RESPONSIBLE TRANSFER ACT; AND THE PARTIES OF THIS DEED, BY VIRTUE OF THEIR EXECUTION, DELIVERY AND/OR ACCEPTANCE, ACKNOWLEDGE THAT THEY HAVE READ THE FOREGOING AND ACKNOWLEDGE THAT D. MICHAEL RIVA, HAS NOT BEEN ASKED TO REPRESENT AND/OR ADVISE THEM IN ANY WAY CONCERNING SUCH LAWS AND REGULATIONS; AND FURTHER ACKNOWLEDGE THAT SHOULD THIS REAL ESTATE BE GOVERNED BY, OR SUBJECT TO, SUCH LAWS AND REGULATIONS, THAT SUCH COULD YIELD VERY SUBSTANTIAL DAMAGES AND PENALTIES TO THE PARTIES.

Permanent Index Number:
 Property Address: 2804 New Lake Road, West Frankfort IL 62896

DATED October 2, 1998.

Danny Shelton (SEAL) *Linda Shelton* (SEAL)
 DANNY L. SHELTON LINDA S. SHELTON

FRANKLIN CO. NO. 028
 054320
 P.B. 10780

STATE OF ILLINOIS
 REAL ESTATE TRANSFER TAX
 OCT-2'98 DEPT. OF REVENUE 202.00

Document 1998-006768

Document Number

Document Type

Document Group

Overview |
 Detail |
 Grantor |
 Grantee |
 Delivered To |
 Tax Bill |
 Parcel |
 Legal |
 Fees |
 Reference

Document Fees

Type	Description	Calc Method	Fee Amount
001	STATE OF ILLINOIS	Net	\$135.00
002	COUNTY FEE	Net	\$67.50
003	AUTOMATION FEE	Document	\$3.00
050	RECORDING FEE 1-4 PGS	1-4 Pages	\$12.00
Total Fee			\$217.50

Consideration

Full Actual Consideration

Personal Property

Net Consideration

Other Real Property

Mortgage Property

Net Taxable Consideration

Ex. XX



Sign Up!

***An Attempt to Mend a Broken Network
& Save the Cause of Christ from Reproach***

A Save3ABN Exclusive

How to Turn \$6,139 into \$135,000 in Just 7 Days???

7 Simple Steps to Easy Money???

[< Prev.](#)

[Next >](#)

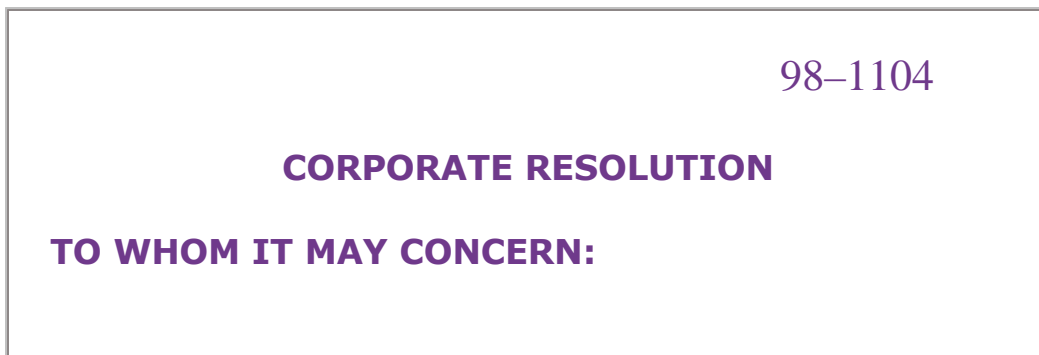
This topic concerns real estate transactions from the year 1998, transactions regarding a piece of property identified as "Lot 6" in the legal description, a piece of property that at one time was the Shelton home. Scans of the actual documents in question appear at the bottom of this web page.

Step 1: Non-Profit Buys "Lot 6"

A number of things transpired prior to the start of those allegedly highly profitable 7 days of September 25 through October 2, 1998. As the story goes, philanthropist May Chung either put up the money for 3ABN to buy "Lot 6," as suggested by one of the documents below, or bought "Lot 6" and deeded it to 3ABN.

Step 2: Non-Profit Grants Life Estate

The next step to an alleged \$129,000 profit in 7 days was for 3ABN president Danny Shelton, his then wife and 3ABN corporation secretary Linda Shelton, and philanthropist May Chung to receive a life estate in "Lot 6," allowing them to use this 3ABN property as long as they lived.



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Added 2/10/2008
Objections Heard

Added 1/25/2008
Church Vote

Added 1/22/2008

Fiscalini Fired

**Added 1/21/2008
Right to Know**

**Added 11/30/2007
IRS Criminal
Investigation**

**Added 11/9/2007
Dwight Hall
Selling K58DL
10/2007 Interview**

**Must Read:
Mom in Pain #1
Mene, Mene,
Tekel, Parsin
The Actual Lawsuit**

This is to certify that Linda S. Shelton is the duly qualified and elected Secretary, and Walter C. Thompson is the duly qualified and elected Chairman of the Board of Directors of THREE ANGELS BROADCASTING NETWORK, INC., a corporation, of the City of West Frankfort, County of Franklin and State of Illinois, and that at a regular meeting of the Board of Directors, held on September 15, 1996, the following action was taken and recorded in the minutes of said corporation, of which action, this is a true copy, to-wit:

15) It was voted to convey a life estate to Danny L. Shelton, Linda S. Shelton and May Chung, or the survivors and/or survivor of them, on the property located at Route 3, Box 10, in Thompsonville, as provided in the original gift that provided for the purchase of the property, and to authorize the officers to sign the deed for conveyance purposes. Said property is legally described as follows:

Lot Six (6) in Surveyor's Plat of the Northeast Quarter (NE 1/4) of Section Sixteen (16), Township Seven (7) South, Range Four (4) East of the Third Principal Meridian, except the coal, oil, gas and other minerals underlying the same, situated in Franklin County, Illinois.

The records of THREE ANGELS BROADCASTING NETWORK, INC. disclose that Danny L. Shelton is the President, and Linda S. Shelton is the Secretary, and Walter C. Thompson is Chairman of the Board of Directors.

THREE ANGELS BROADCASTING
NETWORK, INC.

Dated: February 18, 1998. By: [Signed]
Walter C. Thompson
Board Chairman

Dated: February 16, 1998. By: [Signed]
Linda S. Shelton
Corporation Secretary/p>

Page -1- CORPORATION RESOLUTION

Page 3 of 3

If May Chung really was the one who put up the money to buy "Lot 6," why were the Sheltons given a life estate in "Lot 6" too?

And what exactly does it mean for the officers to be authorized "to sign the deed for conveyance purposes" in connection with a vote "to convey a life estate to Danny L. Shelton"? When someone is granted a life estate by an organization, there is no need to sign a deed, as we point out below.

Step 3: Non-Profit Deeds "Lot 6"

Now is where things really start getting a bit strange: In February 1998, "Lot 6" is titled in Danny, Linda, and May's names because of their life estate, almost a year and a half after they were allegedly given that life estate by the 3ABN Board. If the 3ABN Board really voted in September 1996 to authorize the officers to "convey" the property to Danny by signing a deed, why did they wait a year and a half to do it?

We have consulted a number of real estate and trust services experts, and each tells us that when you receive a life estate, you never have the property titled in your name. Was "Lot 6" deeded to Danny Shelton in February just so that he could sell the property at a substantial profit in October?

(Life Estate only)

WARRANTY DEED - JOINT TENANCY

THE GRANTORS, THREE ANGELS BROADCASTING NETWORK, INC., a corporation, of 3391 Charley Good Road, West Frankfort, County of Franklin and State of Illinois

for and in consideration of Ten Dollars (\$10) O.V.C. Dollar in hand paid, Conveys and warrants to DANNY L. SHELTON, LINDA S. SHELTON,

and MAY CHUNG, not as tenancy in common but in JOINT TENANCY, the following described real estate:

A life estate only for the lifetime of DANNY L. SHELTON and LINDA S. SHELTON, husband and wife, and MAY CHUNG, or the survivors/survivor of them, in the following property:

Lot Six (6) in Surveyor's Plat of the Northeast Quarter (NE 1/4) of Section Sixteen (16), Township Seven (7) South, Range Four (4) East of the Third Principal Meridian, except the coal, oil, gas and other minerals underlying the same, situated in Franklin County, Illinois.

situated in the County of Franklin, in the State of Illinois, hereby releasing and waiving all rights and under and by virtue of the Homestead Exemption Laws of this State.

Dated February 16, 1998.

THREE ANGELS BROADCASTING NETWORK, INC.

Attested By:

By: [Signed]
Danny L. Shelton, President

 [Signed]
Walter C. Thompson
Board Chairman, 3ABN

By: [Signed]
Linda S. Shelton, Secretary

DEED PREPARED BY: Herald Follett, Attorney
P.O. Box 3092
Portland, Oregon 97208

Page -1- WARRANTY DEED - JOINT TENANCY

(See copy of Corporate Resolution attached hereto)

PAGE 1 OF 3

Step 4: Philanthropist Surrenders Life Estate

At the time of Danny's allegedly super-profitable sale on October 2, 1998, he would have had to split his profits with May Chung, unless he could get her off the title of "Lot 6" before that point. And thus on August 24, 1998, just 6 months after her name got on the title, May Chung's name is off again.

Kind of odd, isn't it, that May Chung would have been given a life estate in a property in Illinois, and then deeded that property, if all the while she remained a resident of San Bernardino, California, as the deed below suggests? And why put her name on the title of "Lot 6" at all if she was only going to be on for six months?

WARRANTY DEED

THE GRANTOR, MAY CHUNG
of 155 Manchester Lane
San Bernardino, CA 92408

for and in consideration of Ten Dollars (\$10.00) O.V.C. Dollar in hand paid, Grantor conveys and warrants to THREE ANGELS BROADCASTING NETWORK, INC., a Corporation, all of Grantor's interest in the following described real estate:

Grantor's life estate for her lifetime, and any survivorship rights she may have related to the interest of Danny L. Shelton and Linda S. Shelton, or the survivor of them, in the following property:

Lot Six (6) in Surveyor's Plat of the Northeast Quarter (NE 1/4) of Section Sixteen (16), Township Seven (7) South, Range Four (4) East of the Third Principal Meridian, except the coal, oil, gas and other minerals underlying the same, situated in the County of Franklin, and State of Illinois,

hereby further releasing and waiving all rights in and under by virtue of the Homestead Exemption Laws of this State.

Dated August 24, 1998.

_____[Signed]_____
May Chung

Attested By:

[Signed, Herald Follett]

Approved and consented to by:

[Signed]

Danny L. Shelton, President

[Signed]

Linda S. Shelton, Secretary

Step 5: Non-Profit Surrenders Interest for \$6,139

It is this transaction that raises a lot of questions. What it appears from the deed is that the Sheltons in essence bought "Lot 6" in September 1998 for a mere \$6,139, just one week before they sold it to Elora Ford for \$135,000. Now the fact that \$6,139 is below fair market value raises some serious tax questions.

- Was the total consideration given by the Sheltons to 3ABN for "Lot 6" really only \$6,139?
- Did the total consideration given for "Lot 6," even if more than \$6,139, fall below fair market value?
- If so, does this real estate transaction constitute "private inurement"?
- If it does, will the IRS revoke 3ABN's tax exempt status, or have all applicable statutes of limitations run out?
- If 3ABN's tax exempt status is revoked, will the IRS assess some of 3ABN's donors for back taxes?

In case you haven't caught on, the IRS does not allow non-profit organizations to give away property at prices below market value for the benefit of private citizens. Doing so can jeopardize that organization's tax exempt status. And the loss of tax exempt status can affect donors retroactively, particularly if donations were given in bad faith.

While the IRS is highly unlikely to go after small donors, some of 3ABN's larger donors will undoubtedly breathe a lot easier if the IRS decides that there are no tax implications to the deed below. And since we are talking about something that happened in 1998, the typical statute of limitations for such things has most likely run out.

WARRANTY DEED

THE GRANTOR, Three Angels Broadcasting Networks, Inc.
3391 Charley Good Road
West Frankfort, Illinois 62896-0220,

for and in consideration of Six thousand one hundred thirty nine and no/100 (\$6,139.00) Dollars, O.V.C. Dollar in hand paid, Grantor conveys and warrants to Danny L. Shelton and Linda S. Shelton, husband and wife, all of Grantor's interest in the following described real estate:

Lot Six (6) in Surveyor's Plat of the Northeast Quarter (NE 1/4) of Section Sixteen (16), Township Seven (7) South, Range Four (4) East of the Third Principal Meridian, except the coal, oil, gas and other minerals underlying the same, situated in the County of Franklin, and State of Illinois,

(Note: This deed is given for the purpose of the Grantor conveying its remainder interest in said property to the Grantees herein, Danny L. Shelton and Linda S. Shelton, who at the date of this transfer have a life estate in said property.)

hereby further releasing and waiving all rights in and under by virtue of the Homestead Exemption Laws of this State.

Dated 9/25, 1998.

Three Angels Broadcasting Network,
Inc.

By: [Signed]
Danny L. Shelton, President

By: [Signed]
Linda S. Shelton, Secretary

Attested By:

[Signed]

Walter C. Thompson
Chairman of the Board of Directors

Step 6: The Sheltons Sell Property for \$135,000

First, here is the deed that governed the sale of the property, a deed prepared by D. Michael Riva, the same attorney that sent those nasty cease and desist letters [to Pastor Glenn Dryden](#) and [to the Church Board](#) of the Community Church of God in Dunn Loring, Virginia:

WARRANTY DEED

ILLINOIS STATUTORY

MAIL TO:

ELORA L. FORD, Trustee
2804 NEW LAKE ROAD
WEST FRANKFORT IL
62896

NAME & ADDRESS OF TAXPAYERS:

ELORA L. FORD, Trustee
2804 NEW LAKE ROAD
WEST FRANKFORT 62896

THE GRANTORS, DANNY L. SHELTON and LINDA S. SHELTON, Husband and Wife each in their own right and as spouse of the other, of the City of Thompsonville, County of Franklin, State of Illinois, for and in consideration of the sum of **TEN DOLLARS (\$10.00), AND OTHER GOOD AND VALUABLE CONSIDERATION,** in hand paid, the receipt of which is hereby acknowledged, **CONVEY and WARRANT TO: ELORA L. FORD,** as Trustee of **THE FORD FAMILY TRUST** established by the provisions of **THE FORD REVOCABLE TRUST Agreement dated September 23, 1992,** of West Frankfort, Franklin County, Illinois, all interest in the following described Real Estate situated in the County of Franklin, State of Illinois, to-wit:

LOT SIX (6) IN SURVEYOR'S PLAT OF THE NORTHEAST QUARTER (NE 1/4) OF SECTION 16 TOWNSHIP 7 SOUTH RANGE 4 EAST OF THE THIRD PRINCIPAL MERIDIAN EXCEPT THE COAL OIL, GAS AND OTHER MINERALS UNDERLYING THE SAME, SITUATED IN FRANKLIN COUNTY, ILLINOIS.

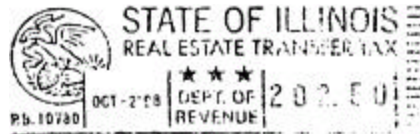
hereby releasing and waiving all rights under and by virtue of the Homestead Exemption Laws of the State of Illinois.

D. MICHAEL RIVA, AS PREPARER OF THIS DEED, HAS MADE NO INVESTIGATION CONCERNING ANY POSSIBLE VIOLATIONS OF ANY ENVIRONMENTAL LAWS OR REGULATIONS INCLUDING, BUT NOT LIMITED TO, THE ILLINOIS RESPONSIBLE TRANSFER ACT; AND THE PARTIES OF THIS DEED, BY VIRTUE OF THEIR EXECUTION, DELIVERY AND/OR ACCEPTANCE, ACKNOWLEDGE THAT THEY HAVE READ THE FOREGOING AND ACKNOWLEDGE THAT D. MICHAEL RIVA, HAS NOT BEEN ASKED TO REPRESENT AND/OR ADVISE THEM IN ANY WAY CONCERNING SUCH LAWS AND REGULATIONS; AND FURTHER ACKNOWLEDGE THAT SHOULD THIS REAL ESTATE BE GOVERNED BY, OR SUBJECT TO, SUCH LAWS AND REGULATIONS, THAT SUCH COULD YIELD VERY SUBSTANTIAL DAMAGES AND PENALTIES TO THE PARTIES.

Permanent Index Number:

Property Address: 2804 New Lake Road, West Frankfort IL 62896

DATED October 2, 1998.



[Signed] (SEAL)
Danny L. Shelton

[Signed] (SEAL)
Linda S. Shelton

See the Real Estate Transfer Tax stamp above with the amount \$202.50 in it? That consists of 0.15% of the total consideration of \$135,000 the Sheltons paid, 0.10% which goes to the State of Illinois and 0.05% which goes to Franklin County:

Document Fees			
Type	Description	Calc Method	Fee Amount

001	STATE OF ILLINOIS	Net	\$135.00
002	COUNTY FEE	Net	\$67.50
003	AUTOMATION FEE	Document	\$3.00
004	RECORDING FEE 1-4 PGS	1-4 Pages	\$12.00
Total Fee			\$217.50

Consideration

Full Actual Consideration	\$135,000.00
Personal Property	\$.00
Net Consideration	\$135,000.00
Other Real Property	\$.00
Mortgage Property	\$.00
Net Taxable Consideration	\$135,000.00

Other Comments and Questions

1998 was allegedly a very profitable year for Danny Shelton, not just because of "Lot 6." Below you will find a June 1998 real estate transaction in which Elora Ford gave Danny a gift of the 18 acres upon which his present house sits. No real estate transfer taxes were paid due to what looks like paragraph "e" of "Section 35 ILCS 200/31-45," a paragraph which states that no transfer taxes have to be paid if the total consideration given is less than \$100.

Speaking of taxes, it is interesting that the February 1998 deed claimed that the board action granting Danny a life estate in "Lot 6" was taken in September 1996. Was Danny trying to avoid taxes on short-term capital gains by holding the property for more than two years? But then, since the property apparently did not actually become his until September 25, 1998, and he sold it on October 2 just one week later, wouldn't there be no way to say that he owned "Lot 6" for two years?

- Did Danny Shelton report this profit on his 1998 tax return?
- If so, did he report it as a short-term or as a long-term capital gain?
- Did 3ABN report their "gift" of "Lot 6" to Danny on his W-2?
- Did 3ABN also report it on their [1998 Form 990](#) as part of their compensation to Danny?

Ex. YY

Subject: Board members, new board members, Rule 26(a)(1) materials

From: Bob

Date: Fri, 30 Nov 2007 11:43:35 -0600

To: Jerrie Hayes

CC: "G. Arthur Joy", Gerald Duffy, William Christopher Penwell, "Kristin L. Kingsbury", John Pucci, Lizette Richards

Ms. Hayes:

Your reply of November 28, 2007, comes at a bit of surprise.

First of all, you state that "you will not provide me with the names and proposed dates and locations of the Board Members you wish to depose." And yet I already made it clear that I wanted to depose all the board members in southern Illinois during the week of the January board meeting. And that is why I need to know the date of the January board meeting.

Regarding my query as to which board members you felt were too new to know anything, you neglected to reply. I will simply remind you that the Plaintiffs' initial disclosures listed 12 board members as witnesses, including the name of the new board member Larry Romrell. It is clear that your clients have no problem calling new board members to testify.

And certainly new board members Stan Smith and Garwin McNeilus are not less knowledgeable than Mr. Romrell. Mr. Smith is listed as a board member on 3ABN's Form 990 for 1998, the same year Danny Shelton bought a house from 3ABN for about \$6,100 and sold it a week later for \$135,000. And Mr. McNeilus is one who purportedly was involved in the surveillance of Linda Shelton in 2004.

Regarding the Plaintiffs' refusal to authorize the inspection or production of Rule 26(a)(1) materials, despite no motions being filed seeking protective orders for particular documents, and your unwillingness to further "discuss any details concerning copying of materials," I suppose the next step is to bring this matter to the attention of the court.

Lastly, perhaps you did not understand my final paragraph. (206) 203-3751 was my fax number long before Mr. Joy or I became aware of the scandals at 3ABN, and he uses my fax number at my permission, not vice versa.

Bob Pickle

P.S. It is a puzzle to me why the defendants have not received any "written demand for settlement" from the plaintiffs, even though the plaintiffs' Rule 26(f) Conference report said they would make such a written demand by August 31, 2007. Did I miss something?

Form **990**

Return of Organization Exempt From Income Tax

Under section 501(c) of the Internal Revenue Code (except black lung benefit trust or private foundation) or section 4947(a)(1) nonexempt charitable trust

1998

This Form is Open to Public Inspection

Ex. ZZ

Department of the Treasury
Internal Revenue Service

Note: The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 1998 calendar year, OR tax year period beginning 1998, and ending 19

- B** Check if:
- Change of address
 - Initial return
 - Final return
 - Amended return (required also for state reporting)

C Name of organization
THREE ANGELS BROADCASTING NETWORK INC

Number and street (or P.O. box if mail is not delivered to street address) Room/suite
PO BOX 220

City or town, state or country, and ZIP+4
WEST FRANKFORT, IL 62896

D Employer identification number
9056

E Telephone number
01-8618774

F Check if exemption application is pending

G Type of organization— Exempt under section 501(c)() (insert number) OR section 4947(a)(1) nonexempt charitable trust
Note: Section 501(c)(3) exempt organizations and 4947(a)(1) nonexempt charitable trusts MUST attach a completed Schedule A (Form 990).

H(a) Is this a group return filed for affiliates? Yes No

I If either box in H is checked "Yes," enter four-digit group exemption number (GEN)

(b) If "Yes," enter the number of affiliates for which this return is filed:

J Accounting method: Cash Accrual

(c) Is this a separate return filed by an organization covered by a group ruling? Yes No

K Check here if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if it received a Form 990 Package in the mail, it should file a return without financial data. **Some states require a complete return.**

Note: Form 990-EZ may be used by organizations with gross receipts less than \$100,000 and total assets less than \$250,000 at end of year.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Specific Instructions on page 13.)

Revenue	1 Contributions, gifts, grants, and similar amounts received:				
	a Direct public support	1a	7,557,624		
	b Indirect public support	1b			
	c Government contributions (grants)	1c			
	d Total (add lines 1a through 1c) (attach schedule of contributors) (cash \$ <u>7,460,075</u> noncash \$ <u>97,549</u>)	1d		7,557,624	
	2 Program service revenue including government fees and contracts (from Part VII, line 93)	2		519,542	
	3 Membership dues and assessments	3			
	4 Interest on savings and temporary cash investments	4		48,715	
	5 Dividends and interest from securities	5			
	6a Gross rents	6a	17,055		
	b Less: rental expenses	6b	7,846		
	6c Net rental income or (loss) (subtract line 6b from line 6a)	6c		9,209	
7 Other investment income (describe <u> </u>)	7				
Revenue	8a Gross amount from sale of assets other than inventory	(A) Securities			
		8a	258,740		
		b Less: cost or other basis and sales expenses	8b	101,012	
		8c	157,728		
8d Net gain or (loss) (combine line 8c, columns (A) and (B))	8d		157,728		
Revenue	9 Special events and activities (attach schedule)	a Gross revenue (not including \$ <u> </u> of contributions reported on line 1a)	9a		
		b Less: direct expenses other than fundraising expenses	9b		
		9c Net income or (loss) from special events (subtract line 9b from line 9a)	9c		
Revenue	10a Gross sales of inventory, less returns and allowances	10a	796,218		
		b Less: cost of goods sold	10b	712,201	
		10c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c		84,017
Revenue	11 Other revenue (from Part VII, line 103)	11		200,230	
	12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12		8,577,065	
	Expenses	13 Program services (from line 44, column (B))	13		3,496,958
		14 Management and general (from line 44, column (C))	14		3,263,010
		15 Fundraising (from line 44, column (D))	15		
16 Payments to affiliates (attach schedule)	16				
17 Total expenses (add lines 16 and 44, column (A))	17			6,759,968	
Net Assets	18 Excess or (deficit) for the year (subtract line 17 from line 12)	18		1,817,097	
	19 Net assets or fund balances at beginning of year (from line 73, column (A))	19			
	20 Other changes in net assets or fund balances (attach explanation)	20			
	21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21			956,119

Form 990 (1998)

Part VI Other Information (See Specific Instructions on page 23.)		Yes	No
76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity . . .		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? . . . If "Yes," attach a conformed copy of the changes.		X
78a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return? . . .		X
78b	b If "Yes," has it filed a tax return on Form 990-T for this year? . . .		X
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement . . .		X
80a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization? . . .		X
81a	b If "Yes," enter the name of the organization <input type="checkbox"/> and check whether it is <input type="checkbox"/> exempt OR <input type="checkbox"/> nonexempt.		
81a	Enter the amount of political expenditures, direct or indirect, as described in the instructions for line 81.		
81b	b Did the organization file Form 1120-POL for this year?		X
82a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?		X
82b	b If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions for reporting in Part III.)		
83a	Did the organization comply with the public inspection requirements for returns and exemption applications?	X	
83b	b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	X	
84a	Did the organization solicit any contributions or gifts that were not tax deductible?		X
84b	b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
85	501(c)(4), (5), or (6) organizations.—a Were substantially all dues nondeductible by members?		
85a	b Did the organization make only in-house lobbying expenditures of \$2,000 or less?		
85b	If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.		
85c	c Dues, assessments, and similar amounts from members		
85d	d Section 162(e) lobbying and political expenditures		
85e	e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices		
85f	f Taxable amount of lobbying and political expenditures (line 85d less 85e)		
85g	g Does the organization elect to pay the section 6033(e) tax on the amount in 85f?		
85h	h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount in 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?		
86	501(c)(7) organizations.—Enter: a Initiation fees and capital contributions included on line 12		
86a	b Gross receipts, included on line 12, for public use of club facilities.		
86b			
87	501(c)(12) organizations.—Enter:		
87a	a Gross income from members or shareholders		
87b	b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)		
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership? If "Yes," complete Part IX		X
89a	501(c)(3) organizations.—Enter: Amount of tax imposed on the organization during the year under: section 4911 <input type="checkbox"/> ; section 4912 <input type="checkbox"/> ; section 4955 <input type="checkbox"/>		
89b	b 501(c)(3) and 501(c)(4) organizations.—Did the organization engage in any section 4958 excess benefit transaction during the year? If "Yes," attach a statement explaining each transaction		X
89c	c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958.		
89d	d Enter: Amount of tax on line 89c, above, reimbursed by the organization.		
90a	List the states with which a copy of this return is filed <input type="checkbox"/> ILLINOIS.		
90b	b Number of employees employed in the pay period that includes March 12, 1998 (See instructions.)	59	
91	The books are in care of <input type="checkbox"/> Pete Crotser Telephone no. <input type="checkbox"/> (618) 627-4651 Located at <input type="checkbox"/> 3391 CHARLEY GOOD RD WEST FRANKFORT ZIP + 4 <input type="checkbox"/> 62896-0220		
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041—Check here <input type="checkbox"/> and enter the amount of tax-exempt interest received or accrued during the tax year		92

Form 990 (1998)

Part VII Analysis of Income-Producing Activities (See Specific Instructions on page 27.)

Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a <u>Production & Distribution</u>					
b <u>of religious programming</u>					
c <u>electronic transmission</u>					519,542
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					48,715
96 Dividends and interest from securities					
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					9,209
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory					157,728
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					84,017
103 Other revenue: a <u>VIDEO SALES</u>					200,230
b _____					
c _____					
d _____					
e _____					
104 Subtotal (add columns (B), (D), and (E))					1,019,441
105 Total (add line 104, columns (B), (D), and (E))					1,019,441

Note: (Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.)

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See Specific Instructions on page 28.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
93	<u>Payment of airtime & production of certain religious programming for electronic transmission</u>
95	
97	
100	
102	
103	<u>Miscellaneous</u>

Part IX Information Regarding Taxable Subsidiaries (Complete this Part if the "Yes" box on line 88 is checked.)

Name, address, and employer identification number of corporation or partnership	Percentage of ownership interest	Nature of business activities	Total income	End-of-year assets
	%			
	%			
	%			
	%			

Please Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature of officer: Danny Shelton Date: _____ Preparer's name and title: Danny Shelton, President

Paid Preparer's Use Only
 Preparer's signature: _____ Date: _____
 Firm's name (or yours if self-employed) and address: _____
 Check if self-employed:
 EIN: _____
 ZIP + 4: _____

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 the 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 on page 2.)		

Part IV Reason for Non-Private Foundation Status (See instructions on pages 2 through 4.)

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 on page 4.)

(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 on page 4.)

Three Angels Broadcasting Network, Inc.
 Form 990
 For the year ended December 31, 1998

Page 1 Part 1 Line 8C Gain or (Loss)

	<u>Item</u>	<u>Book Value</u>	<u>Gross Sale</u>	<u>Gain (loss)</u>
	Downlink	47,619.57	\$250,000.00	\$202,380.43
	House	52,781.05	6,129.00	(46,652.05)
	Piano	0.00	2,000.00	2,000.00
	Totals	100,400.62	258,129.00	\$157,728.38

Page 2 Part II Line 42 Depreciation
 Page 3 Part IV Line 57b Accumulated Depreciation

	<u>Cost</u>	<u>Acc Depn</u>
Land	291,296	
Buildings	1,566,389	204,034
Houses	18,850	9,504
Downlink Equipment	4,837,965	1,079,621
Equipment	4,414,352	2,732,025
Vehicles	1,047,369	145,049
Misc Assets	76,000	
Total	12,252,222	4,170,232

Page 3 Part IV Line 64b Notes Payable

<u>Notes Payable</u>	
Maples	30,000
Schuler	34,983
Boatman's	1,282
Mitchell	100,000
Total	166,265

Three Angels Broadcasting Network, Inc.
 Form 990 Page 4 Part V
 For year ended December 31, 1998

(A)	(B)	(C,D,E)
Dr. Walter Tompson, Chairman Hinsdale, IL 60521 (630)887-1735	Director	-0-
J. Wayne Coulter Illinois Conference of SDA's Brookfield, IL 60513 (708)485-1200	Director	-0-
May E. Chung San Bernardino, CA 92408 (909)824-3112	Director	-0-
Dr. Robert Ford Chehalis, WA 98532-2409 (360)748-8632	Director	-0-
Bill Hulsey Collegedale, TN 37315 (423)396-9303	Director	-0-
Ellsworth McKee Collegedale, TN 37315 (423)238-5487	Director	-0-
Danny Shelton Thompsonville, IL 62890 (618)627-2867	President	49,862.66
Linda Shelton Thompsonville, IL 62890 (618)627-2867	Vice-President	44,334.10

Ex. AAA

Subject: RE: MAP
From: "Nicholas Miller"
Date: Tue, 19 Sep 2006 17:02:39 -0700
To: "G. Arthur Joy"

Hello Gailon,

Thank you for the update. I have had short, positive, but non-committal responses to my two and a half page letter from both Elders Dwight Nelson and Jay Gallimore. I have noticed, however, that neither Danny nor Tommy have appeared last night or tonight on the program. I am uncertain if there is a connection or not with my concerns, as it could be a coincidence. I know that Mark Finley seemed quite opposed to the idea of either Danny or Tommy appearing on the Hope Channel during this period of investigation, and was going to communicate this to the PMC leadership. Prior to my discussion with him yesterday, he seems to have been unaware that Danny and Tommy were appearing on the program.

I think the idea of a mixed, neutral tribunal is a good one, as any one in Linda's camp has completely written off the Three Angels board as a fair and unbiased tribunal. While that is perhaps not entirely fair, it is true that the board gives Danny a tremendous amount of latitude in operation, and gives him the benefit of almost every doubt. Thus, I imagine that either Alyssa or Linda will only appear before a neutral, church related body, perhaps that includes 3ABN board representation. The sticking point, ironically, may well be Danny, who has told me that he is unwilling to place his fate in a group made up of church leaders.

I have wondered about the numbers. When I spoke with Danny about a month or so ago, he insisted that numbers were up by a couple of million. But when I spoke with a board member he indicated that the finances were not doing well, in part relating to a tremendous amount of money 3ABN put into the "Ten Commandments Twice Removed Book" which was distributed by the millions during the spring. I am quite certain that Danny received royalties on this, probably to the tune of several hundred thousand dollars, although he is refusing to disclose the amount to his own board members. This is a gross conflict of interest and also an improper personal inurement that could cause the ministry to lose its tax exempt status if it came to light. It is the kind of thing that led to my leaving the board.

In any event, Danny needs at least a leave of absence to have these things sorted through and for him to re-orient himself. He has been used by God, has had a good heart, but has, in my opinion, become confused and misguided over the last couple of years. It is questionable whether the Three Angels board, on its own, can come to grips with these issues.

Let me know how things unfold,

Blessings,

Nick Miller

Ex. BBB

Form **990**

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

OMB No 1545-0047

2005

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2005 calendar year, or tax year beginning , 2005, and ending , 20

- B** Check if applicable
- Address change
 - Name change
 - Initial return
 - Final return
 - Amended return
 - Application pending

Please use IRS label or print or type See Specific Instructions.

C Name of organization
Three Angels Broadcasting Network, Inc.

Number and street (or P O box if mail is not delivered to street address) Room/suite
3391 Charley Good Rd., PO Box 220

City or town, state or country, and ZIP + 4
West Frankfort, IL 62896

D Employer identification number
37 : 1179056

E Telephone number
(618) 627-4651

F Accounting method: Cash Accrual
 Other (specify) ▶

• **Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).**

H and I are not applicable to section 527 organizations

H(a) Is this a group return for affiliates? Yes No

H(b) If "Yes," enter number of affiliates ▶

H(c) Are all affiliates included? Yes No
(If "No," attach a list. See instructions.)

H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No

I Group Exemption Number ▶

M Check if the organization is not required to attach Sch B (Form 990, 990-EZ, or 990-PF)

G Website: ▶ **3abn.org**

J Organization type (check only one) ▶ 501(c) (3) ◀ (insert no) 4947(a)(1) or 527

K Check here if the organization's gross receipts are normally not more than \$25,000 The organization need not file a return with the IRS, but if the organization chooses to file a return, be sure to file a complete return **Some states require a complete return.**

L Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)

Revenue	1 Contributions, gifts, grants, and similar amounts received.				
	a Direct public support	1a	14,060,275		
	b Indirect public support	1b			
	c Government contributions (grants)	1c			
	d Total (add lines 1a through 1c) (cash \$ 13,456,923 noncash \$ 603,352)			1d	14,060,275
	2 Program service revenue including government fees and contracts (from Part VII, line 93)			2	1,162,106
	3 Membership dues and assessments			3	
	4 Interest on savings and temporary cash investments			4	6,470
	5 Dividends and interest from securities			5	
	6a Gross rents	6a	44,801		
	b Less: rental expenses	6b	2,757		
	c Net rental income or (loss) (subtract line 6b from line 6a)			6c	42,044
7 Other investment income (describe ▶)			7		
8a Gross amount from sales of assets other than inventory	(A) Securities		(B) Other		
	50,397	8a	11,471		
	b Less: cost or other basis and sales expenses.	51,725	8b	10,349	
	c Gain or (loss) (attach schedule)	(1,328)	8c	1,122	
d Net gain or (loss) (combine line 8c, columns (A) and (B))			8d	(206)	
9 Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>					
a Gross revenue (not including \$ _____ of contributions reported on line 1a)	9a				
b Less: direct expenses other than fundraising expenses	9b				
c Net income or (loss) from special events (subtract line 9b from line 9a)			9c		
10a Gross sales of inventory, less returns and allowances	10a	864,361			
	b Less: cost of goods sold	10b	609,669		
	c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)			10c	254,692
11 Other revenue (from Part VII, line 103)			11	(568,784)	
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)			12	14,956,597	
Expenses	13 Program services (from line 44, column (B))			13	10,511,457
	14 Management and general (from line 44, column (C))			14	4,927,633
	15 Fundraising (from line 44, column (D))			15	
	16 Payments to affiliates (attach schedule)			16	
	17 Total expenses (add lines 16 and 44, column (A))			17	15,439,090
18 Excess or (deficit) for the year (subtract line 17 from line 12)			18	482,493	
19 Net assets or fund balances at beginning of year (from line 73, column (B))			19	19,952,817	
20 Other changes in net assets or fund balances (attach explanation)			20		
21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)			21	19,470,324	

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SCANNED JUL 24 2006

THREE ANGELS BROADCASTING NETWORK, INC.
990 - SUPPLEMENTAL INFORMATION
YEAR ENDED DECEMBER 31, 2005

9056

Statement 2
Form 990, Part II, Line 43
Other Expenses

Other Expenses	Total	Program Management Services	Management & General	Fundraising
Advertising and Promotion	74,836		74,836	
Bank Charges	74,456		74,456	
Broadcasting	134,135	134,135		
Cable Promotion	7,266	7,266		
Camp Meeting	43,287		43,287	
Cost of Goods Given Away	605,744	605,744		
Contract Labor	179,409	179,409		
Donations	216,636		216,636	
Dues and Registration	41,892	41,892		
Insurance	390,950		390,950	
Inventory Write-down		278,700		
Miscellaneous	35,783		35,783	
Music Production	58,375	58,375		
Special Projects	535,883	498,883	37,000	
Trust	148,423		148,423	
	<u>2,825,775</u>	<u>1,804,404</u>	<u>1,021,371</u>	

Statement 3
Form 990, Part IV, Line 55
Land, Buildings and Equipment

Land held in Charitable Remainder Unitrusts 3,120,000

Statement 4
Form 990, Part IV, Line 57
Land, Buildings and Equipment

Asset	Cost	Accum Deprec.	Net Book Value
Buildings	6,600,103	917,355	5,682,748
Land	855,813		855,813
Land Improvements	491,697	88,440	403,257
Machinery & Equipment	19,268,904	13,258,720	6,010,184
Vehicles	1,414,309	1,341,238	73,071
Construction in Progress	542,629		542,629
	<u>29,173,455</u>	<u>15,605,753</u>	<u>13,567,702</u>

Form **990**

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

OMB No 1545-0047

2006

Ex. CCC

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2006 calendar year, or tax year beginning January 1, 2006, and ending December 31, 20 06

- B** Check if applicable:
 Address change
 Name change
 Initial return
 Final return
 Amended return
 Application pending

C Name of organization
Three Angels Broadcasting Network, Inc.
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite
3391 Charley Good Road, PO Box 220
 City or town, state or country, and ZIP + 4
West Frankfort, IL 62896

D Employer identification number
 ■■■■■■■■ **9056**
E Telephone number
 (**618**) **627-4651**
F Accounting method: Cash Accrual
 Other (specify) ▶

G Website: ▶

J Organization type (check only one) ▶ 501(c) (**3**) ◀ (insert no.) 4947(a)(1) or 527

K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return

H and I are not applicable to section 527 organizations
H(a) Is this a group return for affiliates? Yes No
H(b) If "Yes," enter number of affiliates ▶
H(c) Are all affiliates included? Yes No
 (If "No," attach a list. See instructions.)
H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No
I Group Exemption Number ▶

L Gross receipts Add lines 6b, 8b, 9b, and 10b to line 12 ▶

M Check if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)

Revenue	1 Contributions, gifts, grants, and similar amounts received:					
	a Contributions to donor advised funds	1a		15,075,120		
	b Direct public support (not included on line 1a)	1b				
	c Indirect public support (not included on line 1a)	1c				
	d Government contributions (grants) (not included on line 1a)	1d				
	e Total (add lines 1a through 1d) (cash \$ 14,693,743 noncash \$ 381,377)				1e	15,075,120
	2 Program service revenue including government fees and contracts (from Part VII, line 93)				2	1,431,652
	3 Membership dues and assessments				3	
	4 Interest on savings and temporary cash investments				4	10,333
	5 Dividends and interest from securities				5	
	6a Gross rents	6a		48,114		
	b Less: rental expenses	6b		9,379		
c Net rental income or (loss). Subtract line 6b from line 6a				6c	38,735	
7 Other investment income (describe ▶)				7		
8a Gross amount from sales of assets other than inventory	(A) Securities		(B) Other			
		182,262	8a	9,600		
	b Less: cost or other basis and sales expenses	184,156	8b	632		
	c Gain or (loss) (attach schedule)	(1,894)	8c	8,968		
d Net gain or (loss). Combine line 8c, columns (A) and (B)				8d	7,074	
9 Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>	a Gross revenue (not including \$ _____ of contributions reported on line 1b)	9a				
	b Less: direct expenses other than fundraising expenses	9b				
	c Net income or (loss) from special events. Subtract line 9b from line 9a				9c	
10a Gross sales of inventory, less returns and allowances		10a		1,164,615		
	b Less: cost of goods sold	10b		1,001,811		
	c Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a				10c	162,804
11 Other revenue (from Part VII, line 103)				11	(123,436)	
12 Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11				12	16,602,282	
Expenses	13 Program services (from line 44, column (B))				13	15,516,876
	14 Management and general (from line 44, column (C))				14	4,081,422
	15 Fundraising (from line 44, column (D))				15	
	16 Payments to affiliates (attach schedule)				16	
	17 Total expenses. Add lines 16 and 44, column (A)				17	19,598,298
Net Assets	18 Excess or (deficit) for the year. Subtract line 17 from line 12				18	(2,996,016)
	19 Net assets or fund balances at beginning of year (from line 73, column (A))				19	19,470,324
	20 Other changes in net assets or fund balances (attach explanation)				20	(238,158)
	21 Net assets or fund balances at end of year. Combine lines 18, 19, and 20				21	16,236,150

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SCANNED JUL 26 2007

617-10 2

THREE ANGELS BROADCASTING NETWORK, INC.
990 - SUPPLEMENTAL INFORMATION
YEAR ENDED DECEMBER 31, 2006

#■■■■■9056

Statement 2
Form 990, Part II, Line 43
Other Expenses

Other Expenses	Total	Program Services	Management & General	Fundraising
Advertising and Promotion	101,051		101,051	
Bad Debts	10,501		10,501	
Bank Charges	97,159		97,159	
Broadcasting	444,984	444,984		
Cable Promotion	5,229	5,229		
Camp Meeting	37,287		37,287	
Cost of Goods Given Away	3,167,235	3,167,235		
Contract Labor	189,676	187,920	1,756	
Donations	228,484		228,484	
Dues and Registration	48,290	48,290		
Insurance	373,735		373,735	
Inventory Write-down	72,369	72,369		
Miscellaneous	76,643		76,643	
Music Production	93,070	93,070		
Special Projects	807,147	768,798	38,349	
Trust	162,830		162,830	
	<u>5,915,690</u>	<u>4,787,895</u>	<u>1,127,795</u>	

Statement 3
Form 990, Part IV, Line 55
Land, Buildings and Equipment

Land held in Charitable Remainder Untrusts 3,120,000

Statement 4
Form 990, Part IV, Line 57
Land, Buildings and Equipment

Asset	Cost	Accum. Deprec.	Net Book Value
Buildings	6,672,998	1,118,098	5,554,900
Land	842,688		842,688
Land Improvements	534,047	124,541	409,506
Machinery & Equipment	20,482,574	14,877,413	5,605,161
Vehicles	1,468,521	1,370,794	97,727
Construction in Progress	156,368		156,368
	<u>30,157,196</u>	<u>17,490,846</u>	<u>12,666,350</u>

Form **990**

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

The organization may have to use a copy of this return to satisfy state reporting requirements.

Department of the Treasury
Internal Revenue Service

A For the 2005 calendar year, or tax year beginning , and ending

B Check if applicable:
 Address change
 Name change
 Initial return
 Final return
 Amended return
 Application pending

C Name of organization
 Remnant Publications, Inc.
 Number and street (or P O box if mail is not delivered to street address) Room/suite
 649 E. Chicago Road
 City or town State or country ZIP + 4
 Coldwater MI 49036

D Employer identification number
 0502

E Telephone number

F Accounting method: Cash Accrual
 Other (specify) ▶

G Website: ▶ www.remnantpublications.com

J Organization type (check only one) ▶ 501(c) (3) ◀ (insert no) 4947(a)(1) or 527

K Check here if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS, but if the organization chooses to file a return, be sure to file a complete return. **Some states require a complete return.**

L Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 1,750,064

H and I are not applicable to section 527 organizations
H(a) Is this a group return for affiliates? Yes No
H(b) If "Yes," enter number of affiliates ▶
H(c) Are all affiliates included? Yes No (If "No," attach a list. See instructions)
H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No
I Group Exemption Number ▶
M Check if the organization is not required to attach Sch B (Form 990, 990-EZ, or 990-PF)

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions.)

1 Contributions, gifts, grants, and similar amounts received:				
a Direct public support	1a	451,004		
b Indirect public support	1b	0		
c Government contributions (grants)	1c	0		
d Total (add lines 1a through 1c) (cash \$ 428,173 noncash \$ 22,831)	1d		451,004	
2 Program service revenue including government fees and contracts (from Part VII, line 93)	2		1,228,662	
3 Membership dues and assessments	3		0	
4 Interest on savings and temporary cash investments	4		0	
5 Dividends and interest from securities	5		398	
6 a Gross rents	6a			
b Less: rental expenses	6b			
c Net rental income or (loss) (subtract line 6b from line 6a)	6c		0	
7 Other investment income (describe)	7		0	
8 a Gross amount from sales of assets other than inventory	(A) Securities	(B) Other		
	0 8a	70,000		
b Less: cost or other basis and sales expenses	0 8b	41,067		
c Gain or (loss) (attach schedule)	0 8c	28,933		
d Net gain or (loss) (combine line 8c, columns (A) and (B))	8d		28,933	
9 Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>				
a Gross revenue (not including \$ 0 of contributions reported on line 1a)	9a	0		
b Less: direct expenses other than fundraising expenses	9b	0		
c Net income or (loss) from special events (subtract line 9b from line 9a)	9c		0	
10 a Gross sales of inventory less returns and allowances	10a	0		
b Less: cost of goods sold	10b	0		
c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)	10c		0	
11 Other revenue (from Part VII, line 103)	11		0	
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12		1,708,997	
13 Program services (from line 44, column (B))	13		821,822	
14 Management and general (from line 44, column (C))	14		1,000,555	
15 Fundraising (from line 44, column (D))	15		48,832	
16 Payments to affiliates (attach schedule)	16		0	
17 Total expenses (add lines 16 and 44, column (A))	17		1,871,209	
18 Excess or (deficit) for the year (subtract line 17 from line 12)	18		-162,212	
19 Net assets or fund balances at beginning of year (from line 73, column (A))	19		515,972	
20 Other changes in net assets or fund balances (attach explanation)	20		0	
21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21		353,760	

10 1/2 615

SCANNER AUG 0 4 2008

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 the 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 \$ 0 noncash \$ 0) If this amount includes foreign grants, check here <input type="checkbox"/>	22	0	0	
23	Specific assistance to individuals (attach schedule)	23	0	0	
24	Benefits paid to or for members (attach schedule)	24	0		
25	Compensation of officers, directors, etc.	25	0		
26	Other salaries and wages	26	390,480	39,048	335,951
27	Pension plan contributions	27	0		
28	Other employee benefits	28	0		
29	Payroll taxes	29	39,548	3,955	33,873
30	Professional fundraising fees	30	0		
31	Accounting fees	31	3,270		3,270
32	Legal fees	32	0		
33	Supplies	33	38,740	26,069	12,671
34	Telephone	34	30,431		30,431
35	Postage and shipping	35	112,769	112,769	
36	Occupancy	36	96,500		96,500
37	Equipment rental and maintenance	37	50,874	50,874	
38	Printing and publications	38	445,558	445,558	
39	Travel	39	103,547		93,192
40	Conferences, conventions, and meetings	40	0		
41	Interest	41	38,495		38,495
42	Depreciation, depletion, etc. (attach schedule)	42	150,905	143,549	7,356
43	Other expenses not covered above (itemize):				
a	Sales representative	43a	16,250	0	0
b	Tithes and transfers	43b	192,623	0	192,623
c	Advertising	43c	15,230	0	10,204
d	Royalty expense	43d	116,556	0	116,556
e	Insurance	43e	25,156	0	25,156
f	Miscellaneous	43f	4,277	0	4,277
g		43g	0	0	0
44	Total functional expenses. Add lines 22 through 43. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	44	1,871,209	821,822	1,000,555

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No

If "Yes," enter (i) the aggregate amount of these joint costs \$ 0 ; (ii) the amount allocated to Program services \$; (iii) the amount allocated to Management and general \$; and (iv) the amount allocated to Fundraising \$

Part VII Analysis of Income-Producing Activities (See the instructions.)

Note: Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue:					
a Sales of literature					1,228,662
b					
c					
d					
e					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities			14	398	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property					
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			14	28,933	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a					
b					
c					
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0		29,331	1,228,662
105 Total (add line 104, columns (B), (D), and (E))					1,257,993

Note: Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
93A	Dissemination of church literature

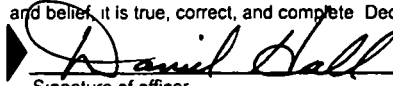
Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%		0	0
	%		0	0
	%		0	0
	%		0	0


Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
- (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No
- Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Please Sign Here:  Signature of officer. Date: 6-27-06

Daniel Hall, Secretary / Treasurer
Type or print name and title

Paid Preparer's Use Only: Preparer's signature:  Date: 6/17/2006. Check if self-employed: Preparer's SSN or PTIN (See Gen. Inst. V): P00053843

Firm's name (or yours if self-employed), address, and ZIP + 4: James W. Gordon, CPA, P.C., 373 Western Ave, Coldwater, MI 49036. EIN: 8727. Phone no.: 517-278-6100

Form **990**

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Ex. EEE
OMB No 1545-0047
2006
Open to Public Inspection

Department of the Treasury
Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2006 calendar year, or tax year beginning , and ending

- B** Check if applicable:
- Address change
 - Name change
 - Initial return
 - Final return
 - Amended return
 - Application pending

Please use IRS label or print or type See Specific Instructions.

C Name of organization
Remnant Publications, Inc
Number and street (or P O box if mail is not delivered to street address) Room/suite
649 E. Chicago Road
City or town State or country ZIP + 4
Coldwater MI 49036

D Employer identification number
0502
E Telephone number
F Accounting method: Cash Accrual
 Other (specify) ▶

Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

H and I are not applicable to section 527 organizations

H(a) Is this a group return for affiliates? Yes No
H(b) If "Yes," enter number of affiliates ▶
H(c) Are all affiliates included? Yes No (If "No," attach a list. See instructions.)
H(d) Is this a separate return filed by an organization covered by a group ruling? Yes No
I Group Exemption Number ▶
M Check if the organization is not required to attach Sch B (Form 990, 990-EZ, or 990-PF)

G Website. ▶ www.remnantpublications.com

J Organization type (check only one) ▶ 501(c) (3) ◀ (insert no) 4947(a)(1) or 527

K Check here if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

L Gross receipts. Add lines 6b, 8b, 9b, and 10b to line 12 ▶ 4,600,351

SCANNED AUG 10 2007

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions)

1 Contributions, gifts, grants, and similar amounts received:				
a	Contributions to donor advised funds	1a	258,665	
b	Direct public support (not included on line 1a)	1b	7,017	
c	Indirect public support (not included on line 1a)	1c	0	
d	Government contributions (grants) (not included on line 1a)	1d	0	
e	Total (add lines 1a through 1d) (cash \$ 265,682 noncash \$ 0)	1e	265,682	
2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	4,316,011	
3	Membership dues and assessments	3	0	
4	Interest on savings and temporary cash investments	4	0	
5	Dividends and interest from securities	5	9,908	
6a	Gross rents	6a	1,200	
b	Less: rental expenses	6b		
c	Net rental income or (loss) Subtract line 6b from line 6a	6c	1,200	
7	Other investment income (describe) ▶	7	0	
8a	Gross amount from sales of assets other than inventory	(A) Securities		(B) Other
b	Less: cost or other basis and sales expenses	8a	7,550	
c	Gain or (loss) (attach schedule)	8b	2,716	
d	Net gain or (loss). Combine line 8c, columns (A) and (B)	8c	4,834	
8d		8d	4,834	
9	Special events and activities (attach schedule) If any amount is from gaming, check here <input type="checkbox"/>			
a	Gross revenue (not including \$ 0 of contributions reported on line 1b)	9a	0	
b	Less: direct expenses other than fundraising expenses	9b	0	
c	Net income or (loss) from special events. Subtract line 9b from line 9a	9c	0	
10a	Gross sales of inventory, less returns and allowances	10a	0	
b	Less: cost of goods sold	10b	0	
c	Gross profit or (loss) from sales of inventory (attach schedule) Subtract line 10b from line 10a	10c	0	
11	Other revenue (from Part VII, line 103)	11	0	
12	Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12	4,597,635	
13	Program services (from line 44, column (B))	13	2,369,477	
14	Management and general (from line 44, column (C))	14	1,553,796	
15	Fundraising (from line 44, column (D))	15	72,861	
16	Payments to affiliates (attach schedule)	16	0	
17	Total expenses. Add lines 16 and 44, column (A)	17	3,996,134	
18	Excess or (deficit) for the year. Subtract line 17 from line 12	18	601,501	
19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	353,760	
20	Other changes in net assets or fund balances (attach explanation)	20	148,313	
21	Net assets or fund balances at end of year. Combine lines 18, 19, and 20	21	1,103,574	

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Form **990** (2006)

A17 20

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 the 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 a	Grants paid from donor advised funds (attach schedule) (cash \$ 0 noncash \$ 0) If this amount includes foreign grants, check here <input type="checkbox"/>	0	0		
22 b	Other grants and allocations (attach schedule) (cash \$ 0 noncash \$ 0) If this amount includes foreign grants, check here <input type="checkbox"/>	0	0		
23	Specific assistance to individuals (attach schedule)	0	0		
24	Benefits paid to or for members (attach schedule)	0			
25 a	Compensation of current officers, directors, key employees, etc. listed in Part V-A (attach schedule)	0	0	0	0
b	Compensation of former officers, directors, key employees, etc. listed in Part V-B (attach schedule)	0	0	0	0
c	Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) (attach schedule)	0	0	0	0
26	Salaries and wages of employees not included on lines 25a, b, and c	429,476	41,230	371,067	17,179
27	Pension plan contributions not included on lines 25a, b, and c	0			
28	Employee benefits not included on lines 25a - 27	18,002		18,002	
29	Payroll taxes	40,303	7,548	30,422	2,333
30	Professional fundraising fees	0			
31	Accounting fees	5,155		5,155	
32	Legal fees	1,327		1,327	
33	Supplies	40,157	22,803	17,354	
34	Telephone	32,729		32,729	
35	Postage and shipping	394,640	394,640		
36	Occupancy	120,000		120,000	
37	Equipment rental and maintenance	54,244	49,871	4,373	
38	Printing and publications	1,680,814	1,680,814		
39	Travel	148,964		134,068	14,896
40	Conferences, conventions, and meetings	0			
41	Interest	38,880		38,880	
42	Depreciation, depletion, etc. (attach schedule)	179,927	172,571	7,356	0
43	Other expenses not covered above (itemize):				
a	Sales representative	15,000	0	0	15,000
b	Tithes and transfers	200,331	0	200,331	0
c	Advertising	61,444	0	37,991	23,453
d	Royalty expense	508,767	0	508,767	0
e	Insurance	12,393	0	12,393	0
f	Miscellaneous	13,581	0	13,581	0
g		0	0	0	0
44	Total functional expenses. Add lines 22a through 43g (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	3,996,134	2,369,477	1,553,796	72,861

Joint Costs. Check if you are following SOP 98-2.

Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? Yes No

If "Yes," enter (i) the aggregate amount of these joint costs \$ 0; (ii) the amount allocated to Program services \$; (iii) the amount allocated to Management and general \$; and (iv) the amount allocated to Fundraising \$

Part VI Other Information (continued)

Yes No

- c At any time during the calendar year, did the organization maintain an office outside of the United States? Yes No
If "Yes," enter the name of the foreign country _____
- 92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041—Check here
and enter the amount of tax-exempt interest received or accrued during the tax year 92 | N/A

Part VII Analysis of Income-Producing Activities (See the instructions.)

Note: Enter gross amounts unless otherwise indicated

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclusion code	(D) Amount	
93 Program service revenue					
a Sales of literature					4,316,011
b _____					
c _____					
d _____					
e _____					
f Medicare/Medicaid payments					
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments					
96 Dividends and interest from securities			14	9,908	
97 Net rental income or (loss) from real estate					
a debt-financed property					
b not debt-financed property			14	1,200	
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			14	4,834	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue		0		0	0
a _____		0		0	0
b _____		0		0	0
c _____		0		0	0
d _____		0		0	0
e _____		0		0	0
104 Subtotal (add columns (B), (D), and (E))		0		15,942	4,316,011
105 Total (add line 104, columns (B), (D), and (E))					4,331,953

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes)
93A	Dissemination of church literature

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
N/A	%		0	0
	%		0	0
	%		0	0
	%		0	0

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions)

- (a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? Yes No
 - (b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? Yes No
- Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

N Number	Departure	Destination	Departure Time (GMT)	Arrival Time (GMT)	Time Elapsed
N651EJ	MWA (Marion, IL)	ICT (Wichita)	04/15/04 01:12 PM	04/15/04 02:33 PM	1h 21m
N651EJ	ICT (Wichita)	MWA (Marion, IL)	04/15/04 11:30 PM	04/16/04 12:30 AM	1h 0m
N651EJ	MWA (Marion, IL)	MSN (Madison, WI)	03/15/07 02:17 PM	03/15/07 03:17 PM	1h 0m
N651EJ	MSN (Madison, WI)	STP (St. Paul)	03/15/07 03:29 PM	03/15/07 04:18 PM	49m
N651EJ	STP (St. Paul)	MSN (Madison, WI)	03/15/07 07:54 PM	03/15/07 08:36 PM	42m
N651EJ	MSN (Madison, WI)	MWA (Marion, IL)	03/15/07 08:52 PM	03/15/07 09:55 PM	1h 3m
N651EJ	MWA (Marion, IL)	STP (St. Paul)	04/29/07 12:39 PM	04/29/07 02:16 PM	2h 37m
N651EJ	STP (St. Paul)	MWA (Marion, IL)	04/29/07 02:38 PM	04/29/07 03:48 PM	1h 10m
N651EJ	MWA (Marion, IL)	STP (St. Paul)	05/01/07 02:29 PM	05/01/07 03:50 PM	1h 21m
N651EJ	STP (St. Paul)	MWA (Marion, IL)	05/01/07 08:44 PM	05/01/07 09:59 PM	1h 15m
N651EJ	MWA (Marion, IL)	STP (St. Paul)	05/09/07 08:33 PM	05/09/07 09:55 PM	1h 22m
N651EJ	STP (St. Paul)	BAF (Westfield/Springfield, MA)	05/09/07 10:26 PM	05/10/07 12:41 AM	2h 15m
N651EJ	BAF (Westfield/Springfield, MA)	ORH (Worcester, MA)	05/10/07 04:45 PM	05/10/07 04:55 PM	10m
N651EJ	ORH (Worcester, MA)	STP (St. Paul)	05/10/07 09:01 PM	05/10/07 11:34 PM	3h 33m
N651EJ	STP (St. Paul)	MWA (Marion, IL)	05/11/07 12:02 AM	05/11/07 01:14 AM	1h 12m

Ex. GGG

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

From: Danny Shelton

To: Linda Shelton

Sent: Tuesday, August 24, 2004 8:19 AM

Linda Sue,

The bible says if we deny truth the Lord will send us a strong delusion and we will believe a lie. It sure seems you are heading that way.

I can't tell you how ridicules your last email to me proclaiming your innocence.

All the lies you told, in itself, shows you are not innocent.

Deceiving me about a vacation to Florida. I found out from you, not Brenda, that you had planned on deceiving me about this trip.

When I found out you were going and could hardly believe you were capable of something like this, I was shocked. I knew if this relationship with this man was innocent you wouldn't have lied to me. When I later confronted you, and asked you why you planned a vacation with him to stay in his condo, with or without Brenda, you finally answered and said, "OK, yes I was going to do this. I had a blast in Norway with him and just wanted to have some fun in Florida with him and Brenda without you along.

Linda, I documented all these conversations so that they couldn't be changed later on. This whole trip was a lie. There is nothing innocent when a wife wants to go on vacation with another man without her husband.

when did all this happen? Was this April, May, June? No, this was planned in February. Linda this kind of action from a wife and 3ABN Vice President is wrong.

The deceit of buying a new cell phone and buying prepaid phone cards, was not about Nathan. Yes, things became tougher for you at home, because you continued this relationship with this man against all counsel.

You told me yourself while we were in bed one night that maybe I was right as you did seem to be addicted to this man's calls. You told me he was like your mister wonderful doll that for hours of conversations, he always said the right thing.

You have to understand that while you might convince some people that you just went to him for counsel because I was becoming so irate at home, the truth is I was becoming more and more upset because you wouldn't stop this relationship with this man no matter who told you to stop.

Remember, the Nazarene counselors to you that you have no right to tell this man bad things about me and our marriage because this was spiritual adultery. You agreed and said you could see that this was wrong.

On the flight home April 15, you promised not to talk to him again for two weeks, all the while planning on calling him the next day to tell him everything that went on. I have the phone records to prove it.

The next day you stayed home instead of going to Murphysboro Tn. and you promised me that you would not talk to him, even if he called. Later when you got caught from phone records you had no choice but to admit that you not only took his call, but that you had emailed him and asked him to call you.

Linda someday you will have to admit that you have been addicted for a long time. All the lies and cover ups that I saw and caught you in had nothing to do with Brenda Walsh. It has to do with you not willing to take the higher road and do the right thing because this man fed you with all the words that your emotions needed to hear.

If you had been innocent, you wouldn't have lied over and over about this relationship with this man.

That's why I know down deep that you know you are wrong and that's why you wake up with nightmares. It is your ego that keeps you from coming clean.

You referred to the time I hugged you after Dr. Thompson's call and told you that you had no idea of what was coming. The reason I could see this is because I knew that you had decided to be in this

relationship with this man at all costs, therefore I could see what would happen down the road. I even told you many times that it was no different than a parent telling their teen age kid that if he doesn't change his course of action that he is headed for trouble. Everyone but him sees the dead end. This was exactly what all counselors tried to tell you all along, but your desire for what this man had to offer you overrode you desire for truth.

Linda, alcoholics never can be helped until they admit they are alcoholics. When you finally admit that this relationship is still wrong with this man and you cut it off, you will be amazed at how fast the Lord reconciles you to even a higher calling of ministry than you have ever had before.

Love is forever!

Danny

I would give anything in the world to be there for you as I have the last twenty two years, but when this man became your burden bearer as you announced to the world on a Presents program, you took my armor away from me and gave it to him rendering me helpless.

Linda you forget I talked to him as far back as March 9 and he turned on you and blamed you and said you were confiding in him my faults and he said that if I supported your music more and supported Nathan more and didn't travel so much ect, ect, that you wouldn't have to come to him.

You see Linda, your stories timelines don't add up. You claim that finally in May and June that you really went to him because I had been irate. According to him you had allowed him to become your burden bearer even before I knew there was a war to fight. He set you up. Everyone can see it except you. All Christian counselors will tell you this relationship has been wrong from the moment that you began to let him husband you which apparently even began before you actually went to Norway the first of Feb. Please give it up! Put your concerns about your reputation aside long enough to ask God to give you a spirit of repentance. He will restore you. You won't have to worry about your reputation, The Lord will restore it for you, but you have to come clean.

I'll always love you!