



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

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Correspondence with Danny About Royalties

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In this sequence of emails, 3ABN president Danny Shelton leaves the impression that he made an awful lot of money from the 4.5 million *Ten Commandments Twice Removed Books* books that were distributed during the spring of 2006.

Why might that be a problem? See

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October 30, 2006: "Danny Isn't Disclosing Profits from the Book Deals"

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

From: G. Arthur Joy

To: Bob

Subject: Re: Linda's gag order

Date: Mon, 30 Oct 2006 05:27:02 +0000

The contract is unilateral and in a community law state the elimination of business assets of closely held corporations cannot be eliminated as they must be included as a process of Law, unless the subject of a pre-nuptial agreement or an agreement is struck in a non-common law state.

Let me simply say that the contract could be abrogated, if Linda was of a mind to press a charge of "wrongful termination," but has made it clear that she will not do that unless Danny decided to sue her first. She simply wants to get back to a ministry and move on with her life and just wants the division of the assets behind them. The problem is that in a divorce case you are obligated to self disclose all financial items, whether assets, liabilities or contras, but Danny has not disclosed bank statements for his personal use that he opened in 2003 and into which went the book deal moneys. He has also refused to allow Ewing to answer

Added on 4/1/2007
Furniture

Added on 3/28/2007
Defy the Board
Board Action

Added on 3/22/2007
Book Deals
Emails
Financial Aff.

Added on 3/20/2007
The Lost Bet

Added on 3/17/2007
Wait Admits: No
Evidence

Added on 3/16/2007
Pregnancy Test

Added on 3/15/2007
Dan & Brandy
Abused You?

Must Read:

Mom in Pain #1

questions relating to his pay, expenses, bonuses paid, or sums received from self-published books. This is technically "contempt" and will not endear him to the bench.

It will be most interesting to see how Danny handles the issue of their tax exemption and not for profit status as they have a hearing date in November ... my guess is that Danny compromises to get away from the discovery process ... we will see, but he sure does anything he can to keep prying eyes from looking at anything any too closely.

Gailon Arthur Joy
AURporter

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

From: Bob
To: G. Arthur Joy
Subject: Re: Linda's gag order
Date: Mon, 30 Oct 2006 07:08:31 -0600

Danny had refused? How can he get away with that in a court of law? Is there no penalty for such?

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

From: G. Arthur Joy
To: Bob
Subject: Re: Linda's gag order
Date: Mon, 30 Oct 2006 14:55:22 +0000

Yes, the court can grant sanctions pursuant to rule 11 and order the payment of legal fees as well as grant an order to compel within a time certain, if the attorney actually pushes it!!!

October 31, 2006: "How Much Royalty Was Paid, by Whom to Whom?"

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

From: Bob
To: Danny Shelton
Subject: Clarification needed to put rumor to rest
Date: Tue, 31 Oct 2006 08:41:11 -0600

Hi Danny.

I received this recently, and was wondering if you could provide some information that would correct this:

The problem is that in a divorce case you are obligated to self disclose all financial items, whether assets, liabilities or contras, but Danny has not disclosed bank statements for his personal use that he opened in 2003 and into which went the book deal moneys. He has also refused to allow Ewing to answer questions relating to his pay, expenses, bonuses paid, or sums received from self published books. This is technically "contempt" and will not endear him to the bench.

It will be most interesting to see how Danny handles the issue of their tax exemption and not for profit status as they have a hearing date in November...my guess is that Danny compromises [...] we will see, but he sure does anything he can to keep prying eyes from looking at anything an too closely.

Certainly you wouldn't be refusing to allow Ewing to answer such questions if they are really required to be answered by the court. I'm wondering if you could make public as much as possible of these financial records in order to put this allegation to rest. I would be happy to facilitate their being posted.

A related matter has been the question of self-published

books, referred to above. I've heard that the 10 Commandment books cost 70 cents each, cost 25 cents to print, and cost 11 cents in royalties. Could you clarify this? How much was actually paid in royalties, to whom and by whom?

A prominent individual as far as 3ABN is concerned called me yesterday and while we were chatting they told me that they felt for sure that 3ABN was the one that paid Remnant for the printing. If that is really the case, then I think that fact would put to rest once and for all the idea that the 10 Commandment book was self-published, since publishers, not distributors or retailers or consumers, are the ones who directly pay the printer. And if 3ABN is the publisher, then they can decide to pay you whatever ethically appropriate royalty you agree upon.

Or, if you really did self-publish the book, does that mean that you received check(s) from 3ABN totaling 4.5 million books x 70 cents per book, and that you then paid the printing costs and the royalties out of that sum? Or if those numbers are incorrect, what are the correct numbers?

God bless.

Bob

November 3, 2006: "I'll Pretend You Didn't Ask"

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

From: Danny Shelton

To: Bob

Subject: RE: Clarification needed to put rumor to rest

Date: Fri, 3 Nov 2006 08:18:16 -0600

Hi Bob, I just returned from a great trip to Australia. God is blessing the work of 3ABN there.

I won't go into all the detail but Galion's email to you really is rubbish.

Linda and her attorneys are the ones who have to face the court because they did not make their deadlines to answer court questions. My attorney had to do what I think they call "sanctions" against them to make them answer their questions. I'm not sure of the term but it simply means they did not comply with court order and now it is a record of the court. Anyone has the right to appeal a certain question or questions and let the court decide whether it will have to be answered later, but no one can just decide to defy court timelines such as Linda's attorney's have done without upsetting the apple cart.

This is Gailons problem, he believes anything that Linda or her friends tell him.

Once again Gailon is in left field as this court time has nothing to do with 3ABN or it's non profit status. The court is not asking Larry Ewing to answer any such questions. In the past when the court has asked for any info we have always given it.

We are of course appealing the State of Illinois property tax case, but this has nothing to do with mine and Linda's divorce case.

God Bless,

Danny

November 3, 2006: "I'll Ask It Again"

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

From: Bob
To: Danny Shelton
Subject: RE: Clarification needed to put rumor to rest
Date: Fri, 03 Nov 2006 09:09:22 -0600

Hi Danny. Thanks so much for your reply.

So have you allowed Ewing to answer the questions Gailon referred to, and has he answered them? Or when you say that anyone has the right to appeal a certain question, are you acknowledging that you have indeed refused to allow

Ewing to answer those questions? I take it from your reply that the latter is the case, but I want to make sure I'm not misunderstanding you.

I noticed that you didn't comment on my other questions that were somewhat unrelated to Gailon's email, since quite some time ago a retired minister I know here in Mid-America told me that there was some sort of issue regarding royalties with the 10 Comm. book, and it was from him that I heard the 11 cents figure. Here are my questions again:

"A related matter has been the question of self-published books, referred to above. I've heard that the 10 Commandment books cost 70 cents each, cost 25 cents to print, and cost 11 cents in royalties. Could you clarify this? How much was actually paid in royalties, to whom and by whom?"

"A prominent individual as far as 3ABN is concerned called me yesterday and while we were chatting they told me that they felt for sure that 3ABN was the one that paid Remnant for the printing. If that is really the case, then I think that fact would put to rest once and for all the idea that the 10 Commandment book was self-published, since publishers, not distributors or retailers or consumers, are the ones who directly pay the printer. And if 3ABN is the publisher, then they can decide to pay you whatever ethically appropriate royalty you agree upon.

"Or, if you really did self-publish the book, does that mean that you received check(s) from 3ABN totaling 4.5 million books x 70 cents per book, and that you then paid the printing costs and the royalties out of that sum? Or if those numbers are incorrect, what are the correct numbers?"

Could you comment on these questions?

I was looking at Amazon.com, and it appears that when the book first came out in 2004, it was published by DLS Publishing, but the 2006 edition was published by Remnant, while the copyright was held by yourself and Shelley. I would expect, then, that DLS paid you royalties for the 2004 edition, and that Remnant paid you royalties for the 2006 edition. Would that be correct?

Is 11 cents the right figure? Is that 11 cents to you and 11 cents to Shelley, or was that 11 cents total broken up in what way? And if 11 cents is the right figure, then does that mean that 4.5 million books x 11 cents in royalties were paid as a result of last spring's campaign?

My interest in asking these questions is to find concrete ways to put some of these rumors to rest. There are way too many rumors floating around, and they really need to get put to rest, yesterday.

God bless.

Bob

November 3, 2006: "Sorry, That's a Secret Till After the Settlement"

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

From: Danny Shelton

To: Bob

Subject: RE: Clarification needed to put rumor to rest

Date: Fri, 3 Nov 2006 12:44:56 -0600

Bob, let me explain. No court has asked Larry Ewing to explain anything or answer any questions since our original court date held around 2002 or 2003 I believe.

Gailon is off the wall. He believes everything Linda tells him. It just is not true.

This case has nothing to do with 3ABN. It is a property

settlement case between Linda and me. It has nothing to do with our non profit status. Larry Ewing or no one else is being asked questions except Linda and me personally. We answered most of the questions and objected to a few. She did not respond... period ..in the time frame she was supposed to. The only person the court will be upset with is Linda and her attorneys as they did not respond to any of the info required in the appropriate time the court allowed.

The info Galon or whomever, gave you about royalties and costs of books ect. is a lie also. The book Linda is concerned with was written by Shelley and me after mine and Linda's divorce. It has nothing to do with her.

I will not at this time devulge any more info about this book at this time. I may when mine and her settlement case is over.

I will tell you however that Remnant Publications holds the copyright to TCTR.

Danny

November 3, 2006: "Problems I See with Your Reply"

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

From: Bob

To: Danny Shelton

Subject: RE: Clarification needed to put rumor to rest

Date: Fri, 03 Nov 2006 14:34:05 -0600

Hi Danny. Thanks so much for your reply.

If Remnant owns the copyright of TCTR, why does it say inside the book, "Copyright 2004, 2005 by Danny Shelton and Shelley J. Quinn"? Why doesn't it say that Remnant holds the copyright?

So when you say that no court has asked Larry Ewing anything, are you therefore also saying that not even Linda et. al. has asked Larry Ewing about your salary, benefits,

royalties, etc.? Not even Linda's attorneys have asked this? I'm just trying to pinpoint what exactly the misunderstanding is, and where exactly it might be coming from.

You state that the info that someone other than Gailon gave me about royalties is a lie, which implies that not only is it false, but that it is also intentionally misleading. That is pretty serious if true, and according to the *Church Manual*, if willful and habitual, constitutes grounds for church discipline. So I would like to explore that a little more, since if someone is really willfully and habitually telling falsehoods about you, they should be subjected at least to church discipline.

But how to explore it more is beyond me at present, since you don't want to divulge what the royalties actually were while the case is ongoing, which suggests that you are trying to keep Linda from knowing what your assets actually are. Unfortunately, that is exactly the allegation, that you are trying to avoid compliance with the law by not revealing all your assets.

Do you see a way to look at it otherwise? Does Illinois state law in fact not require spouses to reveal all their assets in divorce situations? If royalties from the book could not possibly have anything to do with Linda, why wait until the case is over before maybe divulging that information?

And since you say that you "may" divulge information about your royalties when the case is over, that means you may not divulge it after all. And thus I don't really know how to combat the rumors blowing around out there about royalties amounting to half a million dollars being paid by someone to someone just for the TCTR book.

The only other pertinent question I can see in all of this that might help you out a bit is, When did you first start working on the manuscript? According to Shelley's introduction in the book, you showed her the manuscript the first day of her visit to 3ABN. When would that have been? Did that visit take place before or after the divorce? If after, when was the manuscript first worked on?

Have a good Sabbath.

Bob

November 4, 2006: "I Already Answered Your Questions TruthFully"

When Danny says below that "The State of Illinois does not believe that our property is used for religious purposes because they do not accept the health messages presented on 3ABN as part of our religion," he may be misleading. Was this really the only problem brought out by Judge Barbara Rowe in the 3ABN tax case?

Consider the following quotes from 3 Angels Broadcasting v. The Department of Revenue the State of Illinois:

Applicant failed to produce any evidence that this is not a closely held business with profits inuring to the family. ... This is of import because Applicant has produced no evidence to negate the supposition that Danny and Linda Shelton maintain control of this organization. ...

...

I must conclude from the evidence of record, that applicant is controlled by Danny and Linda Shelton, and all final decisions are made by them and not by a disinterested impartial board of directors.

...

Section 15-40 expressly forbids this type of management by barring exemption where the property is "used with a view to a profit." 35 ILCS 200/15-40. Although most of the case law concerning uses for profit has developed in the context of leased property, Illinois courts have uniformly denied exemption to properties primarily used for purposes of providing their owners with some form of return on their investment. ...

The operation of 3ABN on the property in question generates a significant profit for applicant. Applicant broadcasts its programs to a customer base comprised of

persons that purchase applicant's dish systems. The nature of applicant's programming and CDs is the encouragement of a healthy lifestyle, for a price. Although there may be religious overtones in applicant's use of the property, that is not sufficient to qualify for a religious property tax exemption. Were I to recommend a grant of tax exemption for the majority of the property at issue, which is clearly a commercial enterprise, it would give applicant an unfair commercial advantage over other commercially owned and operated radio and television stations.

The issue is really whether 3ABN is operating as a non-profit organization should, or whether it is operating as a for-profit, family-run business. Whether 3ABN's health messages are part of the Adventist religion or not does not appear to be the major issue in the case.

Thus, the book royalty question takes on increasing significance, for if Danny is personally profiting from 3ABN's endeavors, then its tax exemption status could be called into question.

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

From: Danny Shelton

To: Bob

Subject: RE: Clarification needed to put rumor to rest

Date: Sat, 4 Nov 2006 17:26:24 -0600

Bob,

Anything rumor retold is a lie. No matter what the intention. That's why Christians shouldn't be involved in the rumor mill.

People also shouldn't assume anything. For instance there is a number of reasons why I don't want to give out certain information to the public. Also because I don't answer your question the way you want it answered doesn't mean that it "suggests" what you think it does.

I have hundreds of emails sent to me. Most of them are very good ones such as praise reports ect. I enjoy hearing them and am glad that people share them with me but there are

times that even answering praise reports begin to take a lot of my time that I should be spending with my family.

At first you asked me a few general questions. I answered them truthfully the best way I know how. But I will not continue to answer one question after another about every terrible thing you read on Black SDA or get from Gailon. Lack of answering does not make one guilty. Jesus showed us this when the bible says He answered them not a word even though they were of accusing Him of things that He was not guilty of.

I believe that He got to a point when He knew for certain that it would do no good to answer anymore questions as the accusers was going to crucify Him anyway.

It seems that is the way it is with those accusing me. They will not believe truth even when it is staring them in the face.

I will just say this, I did have biblical grounds to go along with a mutually consented divorce with Linda, and I have done nothing legally wrong in my administration with 3ABN. The Illinois court case looked at virtually every thing they could to prove such a thing so that it would make it easy for them to deny our non profit status. They found nothing and 3ABN is still non profit. Our appeal currently going on with the state of Illinois is not about financial misconduct or anything else. The State of Illinois does not believe that our property is used for religious purposes because they do not accept the health messages presented on 3ABN as part of our religion. We are trying to prove them wrong.

If the state of Illinois which gathered something like 2000 pages of info in discoveries with 3ABN plus 3 days of testimony in court plus hours of depositions from 3ABN employees including Linda, could find nothing wrong with how our administration of 3ABN including finances, how possibly could some one like Galon who has never been privy to one page of documents from 3ABN that I know of, possibly think he knows more than the state of Illinois.

Here's the difference. The State of Illinois had access to all our records. Gailon has access to a few people who worked there who have an ax to grind and have told him twisted

stories which are lies. He's either not bright or gullible, or is out to prove something himself. It could be other reasons, but I do know this, he does not want truth. There are two sides to every story and He has only gathered info from one side. He is upset because we will not give him the info he wants and believes that if he is accusing enough against us that we will take him into confidence with the truth that we have. This will not happen.

Church leaders will soon be looking at both sides of this divorce and each side will have a fair chance to present truth to them.

Both sides will have to live by their decision whether we like it or not.

Gailon sees himself involved. He is delusional. He is not involved. We will trust church leaders with the truth not some self proclaimed reporter.

God Bless!

Danny

ps. I need to quit answering questions even like yours for now as church leaders as well as my attorneys have said that anything I put in emails will only be used against me, not for me. I guess I should start listening to them.

November 4, 2006: "But You Never Answered the Question About Royalties"

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

From: Bob

To: Danny Shelton

Subject: RE: Clarification needed to put rumor to rest

Date: Sat, 04 Nov 2006 19:59:44 -0600

Hi Danny.

I strongly recommend that you hire some experts that can give you tips on damage control, because currently 3ABN's

damage control really is suffering.

For example, I have essentially asked you about just two issues, namely, whether you are not disclosing what your assets are in accordance with Illinois law, and what the royalties were for the 10 Comm. book. In my first email I asked the following:

"A related matter has been the question of self-published books, referred to above. I've heard that the 10 Commandment books cost 70 cents each, cost 25 cents to print, and cost 11 cents in royalties. Could you clarify this? How much was actually paid in royalties, to whom and by whom?"

In this reply you write:

"At first you asked me a few general questions. I answered them the truthfully the best way I know how."

But I still don't have a clue what the answer is to this, and thus from a damage control perspective, no rumors can be put to rest regarding a half million dollars being paid in royalties for the 10 Comm. book.

Now bear with me, and I will give a few more quotes from your reply that illustrate the desperate need of improving 3ABN's damage control:

"They will not believe truth even when it is staring them in the face."

"There are two sides to every story and He has only gathered info from one side."

"He is upset because we will not give him the info he wants ..."

So what you are saying is that Gailon won't believe the truth even if it is staring him in the face, while on the other hand you are saying that you are refusing to give the truth to Gailon. Do you really think that makes sense?

Lastly:

"He's either not to bright or gullible, or is out to prove something himself. ..."

"Church leaders will soon be looking at both sides of this divorce and each side will have a fair chance to present truth to them."

"Both sides will have to live by their decision whether we like it or not."

"Gailon sees himself involved. He is delusional. He is not involved. We will trust church leaders with the truth not some self proclaimed reporter."

Danny, please consider the fact that unless there is more transparency at 3ABN, even if you were able to get a panel of church leaders to proclaim your innocence without providing evidence, in accordance with present 3ABN policy, none of these issues would go away. It would be a complete disaster from a damage control perspective.

"Both sides will have to live by their decision whether we like it or not."

I know you have suggested that Gailon isn't bright or is gullible or delusional. Such comments are inappropriate,

even if some of your critics stoop to such discourteousness when talking about you. Please don't stoop to their level. It won't help your case one bit.

Thus I won't stoop either, but I will say that if you really believe that both sides will live by such a panel's decision without more transparency, then it is highly possibly that you are extremely naive. For the good of 3ABN, another approach is absolutely necessary, in my opinion.

God bless.

Bob

P.S. I know church leaders have counseled you not to write more replies, because one such leader told me they had told you that. And given the tendency to attack others rather than to provide straightforward answers to simple questions, I would say that that counsel is wise. But then you should get someone who can do such in your stead.

Do you currently have anyone who can do that kind of thing?

November 4, 2006: "I Might Get Someone to Answer Your Questions"

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

From: Danny Shelton
To: Bob
Subject: RE: Clarification needed to put rumor to rest
Date: Sat, 4 Nov 2006 23:52:46 -0600

Thanks, I may take your advice.

Danny

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***"Truth invites examination & needs no defense.
Lies hide in darkness & blame everyone else."***