

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

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IN RE: OUT OF DISTRICT SUBPOENA,)	Hon. Richard Alan Enslin
)	
ROBERT PICKLE, PETITIONER)	Hon. Ellen S. Carmody
)	
GAILON ARTHUR JOY, PETITIONER)	Case No.: 1:08-mc-03
)	
v)	
)	
REMNANT PUBLICATIONS, INC.,)	
RESPONDENT)	
_____)	

AFFIDAVIT OF ROBERT PICKLE

NOW COMES Robert Pickle of Halstad Township, Norman County, Minnesota, who deposes and testifies to the following under pain and penalty of perjury:

1. Attached hereto as **Exhibits A–C** are contracts between Danny Lee Shelton (hereafter “Shelton”) and Pacific Press Publishing Association (hereafter “PPPA”) for three booklets Shelton authored. These contracts document that Shelton was to receive royalties for sales of these titles, and that Three Angels Broadcasting Network, Inc. (hereafter “3ABN”) was to be a co-publisher with PPPA of these titles. (Ex. A–C at ¶¶ 8–9).

2. On his Schedule C for D & L Publishing (hereafter “D&L”) for 2001, Shelton reported \$75,800 in sales and \$55,000 in cost of goods sold on those sales. (*infra* ¶ 5). The sales figure favorably compares to the \$75,000 in purchases from D&L that 3ABN reported in note 14 of its 2001 financial statement. (Doc. 3-11 at nt. 14).

3. Attached hereto as **Exhibit D** is but one of about 77 invoices, purchase orders, or related documents pertaining to purchases of non-Shelton-authored materials by 3ABN directly from PPPA for resale or giving away. These documents were produced by the plaintiffs of the underlying case (hereafter “Plaintiffs”) to the defendants of the underlying case (hereafter “Defendants”) on June 20 and 27, 2008.

4. Attached hereto as **Exhibit E** is the only document thus far produced by the Plaintiffs pertaining to 3ABN’s purchases from D&L and DLS Publishing, Inc. (hereafter “DLS”). It was produced on June 27, 2008.

5. Shelton’s Schedule C’s for D&L for 2001 through 2003 also show other income on line 6 of \$2,716, \$14,332, and \$2,678 respectively. The \$14,332 figure for 2002 is marked “Royalties.” As a courtesy to Shelton, I am seeking by motion to file these Schedule C’s separately under seal as **Exhibits F–H**.

6. Attached hereto as **Exhibit I** is a copy of Shelton’s Final Decree for Dissolution of Marriage issued by the Superior Court of Guam, dated June 25, 2004. Shelton and his ex-wife Linda still have a case pending in Illinois regarding the division of their marital assets.

7. Attached hereto as **Exhibit J** is a printout of information from the Illinois Secretary of State’s website regarding DLS.

8. Attached hereto as **Exhibit K** is a contract concerning Kay Kuzma’s book *Mending Broken People*. The Plaintiffs produced this contract on June 20, 2008. Attached hereto as **Exhibit L** is the epilogue of *Mending Broken People* which states on page 366 that the finishing touches on the last few chapters were being done by May 2004.

9. I have perused 3ABN’s Form 990’s for 1998 through 2006, and 3ABN’s financial statements for 2000 through 2006, and I have not been able to find any items of revenue identified as pertaining to royalties.

10. Attached hereto as **Exhibits M–Q** are documents pertaining to purchases of Shelton’s booklets through Remnant, produced by the Plaintiffs on June 20, 2008.

11. I inquired of PPPA as to the quantity pricing PPPA might give for Shelton’s booklets, and I was given the following pricing. The retail price is what anyone might expect to pay, and the wholesale price is what a retail store known as an Adventist Book Center (hereafter “ABC”) would expect to pay.

Number of Copies	Retail Price	Discount for ABC’s	Wholesale Price
1 to 99	49¢	[?]	[?]
100 to 999	35¢	20%	28¢
1,000 to 4,999	33¢	20%	26.4¢
5,000-9,999	30¢	15%	25.5¢
10,000+	25¢	10%	22.5¢

Special pricing for larger quantities is possible, using a formula that takes into consideration whether the purchaser is a wholesaler or retailer, and the promoting or advertising the purchaser will be doing for the titles. Mixing of titles to obtain special quantity pricing is sometimes allowed. Thus 3ABN, due to its resale activities, global promotion of Shelton’s booklets, and large quantities purchased, should have been able to get the best pricing possible from PPPA.

12. Thus, at the very least, 3ABN likely paid at least 10% more for Shelton’s booklets by purchasing them through D&L, DLS, or Remnant than by purchasing them directly from PPPA. However, Shelton’s reporting of 27% to 32% profit on his 2001 through 2003 Schedule C’s on such sales (line 5 ÷ line 3 of Ex. F–H) suggests that 3ABN might have been able to negotiate a purchase price much lower than 22.5¢ each.

13. Attached hereto as **Exhibit R** are relevant pages from Shelton’s book *The Antichrist Agenda* documenting that Remnant printed this book for DLS Publishing. An excerpt from this book became *The Ten Commandments Twice Removed*, of which about 4.8 million

were purchased from Remnant by 3ABN in the first four months of 2006 at a cost of about \$3 million, allegedly generating several hundred thousand dollars in royalties for Shelton. Invoices and purchase orders documenting these sales in 2006 are attached hereto as **Exhibits S–GG**.

14. In early July of 2006, Linda Shelton's daughter Alyssa Moore released a confidential, signed statement only pastors were supposed to read, alleging that Shelton had sexually assaulted her. On August 13, 2006, I was watching a rerun of an August 10, 2006 broadcast, in which Shelton was likened unto Moses and John the Baptist, and in which he was declared to be beyond human correction. By innuendo Alyssa Moore was called a liar, while the participants on the broadcast claimed that they weren't going to defend themselves against the lies and persecution they were receiving. I was appalled and decided to launch an investigation into what was going on, for even if the girl was lying, you don't trash her confidential testimony on global television while claiming that you aren't going to defend yourself.

15. On August 14, 2006, I discovered that Church of God Pastor Glenn Dryden had sent a letter to the 3ABN Board chairman in May 2003 claiming that Tommy Shelton had molested six boys. He was subsequently threatened by a 3ABN attorney writing on behalf of Tommy Shelton. After obtaining permission, I forwarded Glenn Dryden's letter to four Seventh-day Adventist church administrators and pastors, and on August 15, 2006, Gailon Arthur Joy, whom I had never met, obtained it indirectly from one of those four individuals. After checking out the allegations, Mr. Joy decided to launch his own investigation.

16. Sources told Mr. Joy and me that Remnant leases its building and aircraft from for-profit, Hall-controlled companies, and that Remnant's president Dwight Hall was in this way supplementing his salary from Remnant, a non-profit, 501(c)3 organization. Attached hereto as **Exhibit HH** is a web page belonging to Branch County, Michigan, that identifies Dwight Hall's brother Dan Hall (who also serves as Remnant's vice-president, secretary, and treasurer) as the

taxpayer for R & D Development, the owner of the building that Remnant occupies. Attached hereto as **Exhibit II** are pages from the website of Millennium Enterprise LLC (hereafter “Millennium”), an aircraft renovation company located at Remnant’s address and that uses Dwight Hall’s contact info. The first page of Exhibit II also lists the N Numbers for three aircraft owned or previously owned by Millennium. Attached hereto as **Exhibit JJ** is a web page belonging to the state of Michigan that identifies Dan Hall as Millennium’s resident agent.

17. Attached hereto as **Exhibit KK** is the investigative report that the Defendants in the underlying case released about Remnant, Shelton, and Shelton’s royalties. In a phone conversation I had with Attorney Charles Bappert some time ago, he expressed enough familiarity with the report that he could object to a particular portion of it, a particular portion which Dwight Hall had also objected to. Attached hereto as **Exhibit SS** is a printout of records of flights which supports the investigative report’s statement regarding flights of Millennium-owned aircraft to the airport near 3ABN in Marion, Illinois.

18. Attached hereto as **Exhibit LL** are relevant pages of the Defendants’ answer to the Plaintiffs’ complaint.

19. Attached hereto as **Exhibits MM–NN** are the memorandum and affidavit filed with the Defendants’ opposition to the Plaintiffs’ May 25, 2008, motion for a protective order limiting the scope of discovery. These exhibits are provided to the Court because Remnant used in its motion to amend order documents pertaining to that motion by the Plaintiffs. (Doc. 27 and attachments).

20. I served Requests to Produce upon the Plaintiffs in November and December 2007. Not one document was produced until June 13, 2008, four weeks after I filed my motion to compel on May 15, 2008, and the production of June 13, 20, and 27 could hardly be called substantive. As of this writing, that motion to compel is still pending.

21. Of six non-parties subpoenaed by the Defendants, four readily complied. While Gray Hunter Stenn LLP (hereafter “GHS”) initially objected, they did not do so on the basis of relevancy, and they later decided to comply.

22. Attached hereto as **Exhibit OO** is former 3ABN counsel and board member Nicholas Miller’s email of November 2, 2006, containing the allegation that a senior 3ABN employee fraudulently altered financial documents, seemingly at Shelton’s direction. The Defendants have used this email as a basis for claiming that they must be allowed to challenge whatever documents the Plaintiffs eventually produce. The Defendants used this argument in their February 25, 2008, opposition to Shelton’s motion to quash the Defendants’ subpoena *duces tecum* upon MidCountry Bank in the District of Minnesota. In that action the court ordered the production of documents, which MidCountry was intending to do anyway. The Defendants also used this argument in their July 7, 2008, filing in the Southern District of Illinois concerning the Plaintiffs’ untimely-by-60-days motion to quash the Defendants’ subpoena *duces tecum* upon GHS. GHS had belatedly decided to comply. The entire issue over that subpoena is still pending.

23. The Defendants asked Remnant’s counsel on August 5, 2008, to stipulate to the including in the ordered production all documents pertaining to indirect payments to Shelton via D&L and DLS. That letter of request and Remnant’s counsel’s reply are attached hereto as **Exhibits PP–QQ**.

24. The documents used as Exhibits D–E, K, M–Q, S–GG were classified confidential by the Plaintiffs. I gave Attorney Gregory Simpson the at-least-7-day notice required by the Confidentiality Order in the underlying case (Doc. 3-10 at ¶ 3) by fax, email, and U.S. Mail on July 30, 2008, and have thus far received no reply. My letter of July 30, which also stated our position regarding these documents, is attached hereto as **Exhibit RR**.

FURTHER DEPONENT TESTIFIES NOT.

Signed and sealed this 18th day of August, 2008.

/s/ Bob Pickle

Bob Pickle
Halstad, MN 56548

Subscribed and sworn to me
this 18th day of August, 2008.

/s/ Melanie Dee Nelson

Notary Public

My Commission Expires Jan. 31, 2011