

UNITED STATES DISTRICT COURT DISTRICT OF MASSACHUSETTS

Three Angels Broadcasting Network, Inc., an Illinois non-profit corporation, and Danny Lee Shelton, individually,

Case No. 07-40098 FDS

Plaintiffs,

 \mathbf{V} .

Gailon Arthur Joy and Robert Pickle,

Defendants.

AFFIDAVIT OF LARRY EWING

STATE OF ILLINOIS)
)
FRANKLIN, ss.)

Larry Ewing, being first duly sworn upon oath, deposes and states as follows:

1. I am a Certified Public Accountant and the Chief Financial Officer and elected Treasurer for the non-profit corporation Three Angels Broadcasting Network ("3ABN"), duly organized in the state of Illinois. I have worked in the employ of 3ABN since January of 2002. Through the duration of my tenure, I have overseen the 3ABN Finance Department, prepared 990 Forms and other corporate registrations for 3ABN. For the fiscal years of 2001 through the present, I have always been involved in some manner with preparation of 3ABN financial statements, balance sheets and revenue statements to prepare for Board meetings, end-of-year budget planning, company audits,

and preliminary assessment and analysis of the Company's revenue and liabilities on annual and per-month bases.

- 2. To prepare 3ABN's 990 Forms, I review its general ledgers, balance sheets, revenue statements, and other internal accounting documentation, which collectively aid in reporting 3ABN's revenue from donations and, to a much lesser extent, product sales.
- 3. While I am not a member of the 3ABN Board, I do attend board meetings and work closely with 3ABN management. Through these interactions, I was made aware that certain Internet sites began chat-group discussions that contained damaging commentary about 3ABN and Danny Shelton, commencing on or around July of 2006. Management has continued to keep me aware of Internet activity of this type, including the creation of the website www.save3abn.com, which was created by Defendant Gailon Arthur Joy in January of 2007.
- 4. Every month, I chart the donations received by 3ABN in dollars to provide a comparison of donor activity to similar months of previous years and to estimate and track 3ABN's income on an ongoing basis. In general, review of this data has indicated a gradual increase in donations with each passing year. In contrast, and more narrowly, review of this data also indicates an overall pattern of significantly increased donations in dollars for the time period of January 2006 through May 2006, with a sharp decrease in donations from June 2006 onward. A more specific breakdown of this pattern is set forth by the following affidavit testimony.
- 5. From January 2006 through June 2006, 3ABN experienced an approximate 48.78% increase in the dollars received in donations, as compared to the

baseline levels of donations received by 3ABN for the same period of time for calendar year 2005. Specifically, I have noted the following approximate increases:

- +43.57 % in January 2006 (compared to January 2005)
- +6.53 % in February 2006 (compared to February 2005)
- +66.84 % in March 2006 (compared to March 2005)
- +127.58 % in April 2006 (compared to April 2005)
- +1.23 % in May 2006 (compared to May 2005)¹
- +63.74 % in June 2006 (compared to June 2005).
- 6. Beginning around July of 2006 and continuing through December of 2006, 3ABN donations experienced an approximate overall -17.85 % decrease in the dollars received in donations. Specifically, I noted the following patterns:
 - +2.74 % in July 2006 (compared to July 2005)
 - 4.93% in August 2006 (compared to August 2005)
 - +4.01 % in September 2006 (compared to September 2005)
 - -40.48 % in October 2006 (compared to October 2005)
 - -13.21 % in November 2006 (compared to November 2005)
 - -30.74% in December 2006 (compared to December 2005).
- 7. In general, donations received during the month of December tend to present a statistical outlier of heightened donations in any given year. This typical year-end pattern is generally attributed to the occurrence of the Christmas holiday in December, inspiring a heightened sense of giving, in conjunction with a natural incentive

¹ The smaller increase in donations in May of 2006 was due to 3ABN's receipt of a sizeable land donation in May of 2005, which was difficult to exceed in 2006. Were it not for that particular May 2005 donation, the May 2006 donations would have likewise demonstrated a significant increase from May 2005.

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to donate at year-end for tax-reporting purposes. However, December of 2006 did not yield the greatest per-month donations in dollars in comparison to the other months in 2006. In addition, December 2006 was down 30.74% from the donations 3ABN received in December 2005.

- 8. The downturn in contributions received by 3ABN beginning in July 2006 coincided with the commentary on various Internet sites that erupted around June of 2006 disparaging 3ABN and Danny Shelton, which has been compounded by the creation of www.save3ABN.com website.
- 9. 3ABN has continued to experience a decreased level of donations as reflected in 3ABN records tracking estimated total donations received during the first quarter of 2007. This sustained decrease in the level of donations received by 3ABN has been fueled in substantial part by Defendant Joy's continued posting of defamatory material on his www.save3ABN.com website.
- 10. If the Defendants are not prohibited from posting the legal documents filed and/or served in this proceeding on www.save3ABN.com or other Internet websites, or otherwise publishing these materials, then the Defendants will undoubtedly publish them along with defamatory commentary and conclusions, with the ultimate effect of propagating the damage already experienced by 3ABN.

FURTHER YOUR AFFIANT SAYETH NOT.

Larry Ewing

Certified Public Accountant for

3ABN, Inc.

Subscribed and sworn to me this day of May, 2007.

Notary Public

"OFFICIAL SEAL" LYNDA E WELCH Notary Public, State of Ulinois My Commission Expires 5/2/2010