

Ex. Z**Subject:** conflict of interest form from HOTY**From:****Date:** Mon, 5 Feb 2007 17:47:26 -0800**To:** "G. Arthur Joy" <gabbjoy4@***>

Here it is!!

INTER-OFFICE MEMO

January 28, 2007

From: Mollie Steenson

Ladies and Gentlemen,

Our auditors have informed us that we need to have a Conflict of Interest Statement signed by all employees.

Please sign the enclosed Statement and return it to the Accounting Department as soon as possible. If you have any questions you may talk with either me or Larry Ewing.

Thanks,
Mollie

Conflict of Interest Policy

Definition

A conflict of interest is any circumstance under which the interests of an individual (including, but not limited to a director, officer, employee, volunteer or any person in the individual's immediate family) can be seen as competing with the interests of the organization or harmful to it. The individual may be influenced or have the appearance of being influenced by a motive or desire for personal advantage (direct or indirect, present or potential) that is not in the best interests of the organization.

Purpose

The overarching purpose of a conflict of interest policy is to protect the integrity of the organization, its directors, officers, employees and volunteers, and its decision-making processes and to enable our constituents and constituencies to have confidence in the integrity of the organization.

Further the conflict or interest policy is [1] to help directors, officers and employees identify situations that present potential conflicts of interest, [2] to provide Three Angels' Broadcasting Network (3ABN) with a procedure that, when observed, will allow a transaction to be treated as valid and binding even though a director, officer or employee may have a conflict of interest with respect to the transaction and [3] to protect 3ABN's interest when it is contemplating entering into a transaction or arrangement

that might benefit the private interest or a director, officer or employee of 3ABN or may result in a possible excess benefit transaction.

This policy is intended to supplement, but not replace any applicable state and federal laws governing conflict of interest which applies to not-for-profit charitable organizations.

Procedures

1. A conflict of interest statement (statement of acceptance) will be signed by directors, officers, employees or volunteers at the time of their initial appointment. Upon acceptance of the conflict of interest policy by the board of directors, all current directors, officers, employees or volunteers will be asked to review the policy and indicate their compliance with the policy by signing the conflict of interest statement.
2. Annually directors, officers, employees or volunteers will be required to update and sign the conflict of interest statement.
3. Responsibility for administration of the conflict of interest statements shall be the office of the general manager of the organization. The conflict of interest statements shall be made available to the auditors and members of the audit committee.
4. Pre-existing conflicts of interests: Any director, officer, employee or volunteer who believes that he/she is not or may not be in compliance with the policy, should disclose the circumstances and provide any and all relevant information to the board of directors. Any director or other person reporting a conflict of interest shall not be present during or participate in the final deliberations or decision regarding the matter under consideration. The matter shall be resolved by a vote of the board or its executive committee and duly recorded in the minutes.
5. Potential conflicts of interest must be [1] reported to the chairman of the board of directors if the potential conflict involves a board member, an officer or administrative director or member of their families or [2] reported to the general manager when the potential conflict involves any other employee, volunteer or a member of their families. Following full disclosure of the potential conflict, the board will decide if a conflict exists and if so, the appropriate course of action to be taken. Appropriate courses of action will include but are not limited to warning, suspension, dismissal, and repayment of costs. The decision shall be duly recorded in the minutes.
6. Third-parties may disclose alleged conflicts of interests in writing and with supporting documentation to a director or officer of 3ABN. The source of the third party reports shall be held in confidence by the director or officer receiving the complaint, unless required by court order to divulge the information or if there is evidence that the third party report is fraudulent or made with malicious intent. The report shall be evaluated by the in-house executive committee and, if found to be valid, reported to the board of directors for the appropriate action.
7. Non-compliance is the failure to comply with the policies on conflict of interest and include, but are not limited to:
 - a. Personal gain at the expense of the organization
 - b. Failure to adequately disclose present or potential conflicts of interest
 - c. Failure to comply with decisions made at the board regarding the conflict of interest.

Non-compliance will result in appropriate action, which may include disciplinary action or dismissal.

Conflict of Interest Statement

I have been provided with a copy of the Conflict of Interest Policy for 3ABN and I am in full compliance with this policy and have been at all times during the past year.

- I am not now nor have I in the last year been a participant, directly or indirectly, in any arrangement or agreement, investment or other activity with any vendor, supplier, or other party doing business with 3ABN which has resulted or could result in a benefit to me or my family.
- I have received no substantial payments or gifts (other than token gifts) from suppliers or agencies doing business with 3ABN.
- I have not served as an officer, director, trustee or agent of any organization affiliated with 3ABN in any decision-making process involving financial, legal or other interest adverse to 3ABN.

Any exceptions are stated below and/or separately attached with a full description of the transactions and of the interest, whether direct or indirect, which I have or have had during the past year with persons or organizations having transactions with 3ABN.

"You're only given a little spark of madness. You mustn't lose it." Robin Williams