

Network, which was approved by NMTV's board of directors. A copy of the note is attached to this affidavit as Exhibit B.

17. "To what extent do Duff and Aguilar acquire their income from Trinity as employees or consultants, or from other independent contracting agreements with Trinity?" Rev. Aguilar is neither an employee, contractor, nor independent consultant with Trinity. When Rev. Aguilar has appeared on Trinity programming, he has not been paid for his appearances.

Set Free Christian Fellowship, however, receives \$5,000 a month from Trinity for the services described above, in connection with administering "His Hand Extended," and has the use of several properties that are owned by Trinity: two houses in Anaheim; three houses and a tract of land in Colleyville, Texas; and, an old farmhouse and 160 acres in Ottawa, Illinois.

Trinity Broadcasting Network personnel train members of the Set Free church in the art and skills of television production, and assisted the church staff in the production of an hour-long special on the Set Free church which was broadcast on TBN. The program was aired on Trinity for free, i.e., Trinity was not paid for the time, nor was Set Free paid for the program.

Mrs. Duff is the Assistant to the President of Trinity Broadcasting Network, and is paid by TBN.

18. "Are any or all of NMTV's officers employees, independent contractors or otherwise affiliated with Trinity?" Only Rev. Aguilar is not affiliated with Trinity in some manner.

Obviously, I am the president of Trinity Broadcasting Network and draw a salary from the corporation. Mrs. Duff is the assistant to the president of Trinity Broadcasting Network and is paid by Trinity. Matthew Crouch is my son, and an administrative assistant to the president. He is paid by Trinity. Charlene Williams heads Trinity's computer and accounting department and is also paid by Trinity.

19. "Describe the specific duties Mrs. Duff performs with Trinity?" Mrs. Duff has been working with Trinity since 1979. She handles almost all matters having to do with lawyers and litigation, including reviewing and signing all FCC applications; discussing any local litigation in which Trinity is involved with local counsel; and assuring that Trinity complies with state and local laws and regulations, particularly with respect to employment matters.

Mrs. Duff also oversees the interviews and contacts for KTBN's ascertainment to determine what the community problems are, and ensures that our public affairs programming knows of these problems and are responsive to them. Mrs. Duff is responsible for the preparation of the programs/problems list and for putting them in the public file. In fact, she is responsible for all public file matters, as well as for all matters concerning political broadcasting.

I rely on Mrs. Duff to do a great deal of the public relations as well as the public affairs work for KTBN. Mrs. Duff

for many years has attended civic organization and Chamber of
Commerce lunches, prayer breakfasts, church meetings, etc., as a
representative of Trinity to spread the good news about our
ministry. Mrs. Duff now delegates to other staff members the job
of attending such functions, but is still responsible for
coordinating that activity to ensure that the station is well
represented in the community. Mrs. Duff, as part of her
responsibilities for dealing with FCC applications, also
supervises the preparation and filing of Trinity's many low
power/translator applications. Mrs. Duff is primarily
responsible for determining what translators are needed to expand
Trinity's programming coverage, and for modifying existing
translator applications to improve their coverage.

Mrs. Duff also serves as Trinity's representative at
various broadcast and cable trade shows. Mrs. Duff has
represented Trinity at various NCTA eastern and western cable
shows. She has participated as a panel speaker, and has

as a panel speaker, and has represented Trinity at the last two
Community Broadcasters Association Convention in Las Vegas.

Paul F. Crouch
Dr. Paul F. Crouch

STATE OF CALIFORNIA)
COUNTY OF Orange)

SUBSCRIBED AND SWORN TO, before me, in my presence, this
20th day of September 1991, a Notary Public in and for the county
of Orange, State of California.

By: Margie Tuccillo (Seal)
Notary Public

My Commission Expires: 10-8-94



EXHIBIT A
COPY OF CHECKS

ORIGINAL CHECK
RECEIVED

ADMINISTRATION

BY [Signature]
DKC 10461 (REV. 89)

DATE 3-13-91
TIME 3:15

⑈0000205118⑈ ⑆122000015⑆ ⑆135⑈050034⑈

CASHIERS CHECK

VOID USER \$400,000.00

[Signature]

PAY TO THE ORDER OF
EDUARD F VON WETTBERG, ESQ.
ESCROW AGENT FOR DELAWARE VALLEY
BROADCASTERS LIMITED & NATIONAL
MINORITY TELEVISION INC.

PURCHASER: NATIONAL MINORITY TELEVISION
SI - 205118 B-208 T-H ADVCH

VOID PAY ONLY

MATCH THE AMOUNT IN WORDS WITH THE AMOUNT IN NUMBERS

THE BANK OF CALIFORNIA
San Francisco, California

11-1/210

0000205118

NATIONAL MINORITY TELEVISION INC PO BOX C-11951 SANTA ANA, CA 92711	114	HANDCHECK #430009
Reference	Vendor	Check No.
3/13/91 BANK 926420F 18163 3/13/91 400,000.00	EDUARD F VON WETTBERG, ESQ	114
		Net Amount
		Discount
		Gross Amount
		3/13/91 CASHIER CK 400,000.00 04 01 000 130405

NATIONAL MINORITY TELEVISION, INC.
CORPORATE OFFICE: P.O. Box C-11951, Santa Ana, CA 92711

HANDCHECK #430009

THE BANK OF CALIFORNIA
GARDEN GROVE OFFICE
11900 BROOKHURST ST.
GARDEN GROVE, CA 92640

114

76-105
7220

Date 3/13/91

WARRANTY 400000000000
2-80-292-400000000000

Conts

Amount
\$***400,000.00

General Account

To the
Order of BANK OF CALIFORNIA
11900 BROOKHURST ST
GARDEN GROVE, CA 92642

Paul F. Crutch
Paul F. Crutch

TWO SIGNATURES REQUIRED ON AMOUNTS FOR \$1,000.00 OR MORE

000430009112300105512042040820040000000

0000298999

11-171210

THE BANK OF CALIFORNIA
San Francisco, California

MATCH THE AMOUNT IN WORDS WITH THE AMOUNT IN NUMBERS

THREE MILLION SIX HUNDRED THIRTY TWO THOUSAND DOLLARS

NOV 27 1991 03:51 PM
PAY TO THE DELAWARE VALLEY BROADCASTERS
ORDER OF

Delaware Valley Broadcasters

VOID OVER \$1,500,000.00

CASHIERS CHECK

⑆000029899⑆ ⑆210000121⑆ ⑆6666620000⑆

Received By Jane Lee
Date 8-27-91

NATIONAL MINORITY T.V., INC.
PO BOX C-11951

SANTA ANA

CA 92711

161

DATE	REFERENCE	VENDOR	INVOICE NO.	GROSS AMOUNT	DISCOUNT	NET AMOUNT
8/27/1991	DELAWARE PUR		21421	3600000.00	.00	3600000.00

CHECK NO. 30650 TOTAL 3600000.00

NATIONAL MINORITY T.V., INC.

30650

161

NATIONAL MINORITY TELEVISION, INC.
CORPORATE OFFICE: PO. Box C-11951, Santa Ana, CA 92711

THE BANK OF CALIFORNIA
GARDEN GROVE OFFICE
11900 BROOKHURST ST
GARDEN GROVE, CA 92610

16105
1220

Amount
**3600000.00

General Account

To the Order of
BANK OF CALIFORNIA
11900 BROOKHURST ST
GARDEN GROVE CA 92642

[Handwritten Signature]
TWO SIGNATURES REQUIRED ON ALL CHECKS NOT MADE IN CASH

⑈000030650⑈ ⑆12200105⑆ 204⑈ 20406 2⑈

57

EXHIBIT B

SECURED PROMISSORY NOTE

Rev. Aquilar signed but did not notarize the affidavit included here. Rev. Aquilar has notarized his statement, however, and the notarized statement has been sent to counsel this day by overnight express. The notarized statement will be filed tomorrow when received.

I, Philip R. Aguilar, being duly sworn, hereby affirm that the following responses to the FCC's letter addressed to National Minority TV, Inc. dated September 13, 1991, are true and accurate to the best of my knowledge and belief.

1. "According to the pleadings, in the June 9, 1991 edition of the 'Orange County Register,' Aguilar is quoted as stating that he is merely a 'figurehead,' presumably for Trinity or Crouch, in the National Minority organization. Your response to that question is specifically requested." I did speak to a reporter for the Orange County Register, but the quote attributed to me concerning my being a "figurehead" was not accurately quoted, and, in fact, was taken totally out of context.

To my recollection, my involvement with National Minority TV, Inc., in fact the name National Minority TV, Inc., never was discussed during the interview. I certainly never mentioned it.

I did use the word "figurehead" in the interview. I was, however, responding to a question from the reporter concerning my personal financial involvement with Trinity Broadcasting Network. I responded that Set Free Christian Fellowship, Inc. (hereinafter "Set Free") received funds from Trinity, and that I had appeared on various Trinity programs as a figurehead for Set Free, my church in Anaheim, and that my appearances on Trinity programming were not compensated in any way. When I used the word "figurehead" I referred to my status as representing Set Free.

I did not ever use the word "figurehead" in connection with my relationship to National Minority TV, Inc. (hereinafter "NMTV" or "National Minority"). I did, however, use the word figurehead in connection with my appearance on Trinity programming on behalf of my church, Set Free Christian Fellowship, Inc.

2. "Describe the circumstances that led to David Espinoza's replacement by Aguilar." In late July or early August of 1990 I received a call from Jane Duff in which she related that National Minority TV, Inc., an organization that was minority owned, and which had some religious television stations, needed another director on the Board. I was asked if I would be interested in serving as a director of the corporation. I was informed that the ministry's purpose was to extend Trinity's TV ministry to more people. I was also told that NMTV wanted to involve minorities in broadcasting. Since my ministry had been involved with Trinity for some time, and I knew both Mrs. Duff and Dr. Crouch, I agreed to serve as a director of the ministry.

I attended a board meeting in August with my son, at which time I was elected to the board. As part of the meeting I learned that David Espinoza, the previous director, had submitted a letter of resignation in the last few weeks, in which he noted that his involvement in pastoring several churches no longer gave him the time to devote to NMTV's television ministry. Mr. Espinoza's resignation was accepted at the board meeting.

3. "Describe the process by which Aguilar was elected as a replacement board member." I believe I covered the matter in my response to 2 above.

4. "Describe the circumstances surrounding Aguilar's election to the board." I believe I have answered to the best of my ability in response to question 2 above.

5. "Did Aguilar have any prior experience in broadcasting?" A number of staff members at my church, Set Free, produce video and audio tapes of our church services and other prayer services. The church had also produced a one hour television special on the Set Free church which was broadcast on KTBN. Staff members from our church are involved in a training program with staff members from Trinity Broadcasting Network to help us improve the technical quality of our TV and audio productions.

I personally was involved in several radio and television projects prior to my involvement with NMTV. While I was imprisoned at Vacaville State Prison (1977-1978) I produced a radio program which was broadcast on the closed-circuit prison radio station. The program was called "KWFC," for "Keep Witnessing For Christ." The program was successful in that several inmates committed themselves to Christ in response to my radio ministry.

I also appeared on a regular radio show on KYMS, in Santa Ana, California, entitled the "24-7 Show" during 1989 to

1990. The show was basically a religious radio program which took its theme from the title, i.e., that believers should work 24 hours a day, seven days a week for the glory of God.

I had also appeared on various religious television programs, including programs on Trinity Broadcasting Network as a representative of Set Free church at various times between 1983 and 1990.

6. "Prior to his election, did Aguilar have any relationship with Trinity, its officers, or its directors?" As mentioned above, I have appeared several times on Trinity Broadcasting programming as a representative of my church. Norm Juggert, who is Trinity's lawyer and a corporate officer, I believe, occasionally does legal work for Set Free on a volunteer basis. In addition, Set Free Christian Fellowship, Inc. has cooperated with Trinity in assisting Trinity's "His Hand Extended" program for some time. "His Hand Extended" is a program whereby donated food, clothing and other necessities are distributed to the needy. Since my church is located in an area of Anaheim with a large number of needy people, Set Free for some time has worked with Trinity in the collection and distribution of food and clothing at the Set Free church. This relationship dates back to 1984 or 1985.

Set Free volunteers also serve as phone counselors on the TBN Prayer Line. This relationship has also gone on for several years. Beginning in late 1987 Set Free and TBN

formalized their relationship somewhat. Every month Set Free receives a payment of \$5,000 from Trinity Broadcasting Network to organize and transport 14 volunteer prayer counselors to the TBN Counseling Center every day; to pick up contributions of food, clothing, etc., for distribution to the needy; to transport those items to our church site and to oversee the distribution of these necessities to people in our community as part of "His Hand Extended."

In addition, Set Free runs several houses in which homeless, recovering alcoholics and drug addicts, battered women, and other people in need of shelter are housed. Two of these homes are owned by Trinity Broadcasting Network and are used by Set Free to shelter the people it serves. The details of the relationship are, I think, pretty well spelled out in the application for exemption from local property taxes which was filed with Orange County. I have attached that application as Exhibit A.

Set Free uses the houses without cost pursuant to a licensing agreement between TBN and Set Free. A copy of that licensing agreement is attached as Exhibit B.

In 1989 Trinity gave Set Free the use of a large tract of land and three houses in Colleyville, Texas for the same purpose. Again, Set Free uses the property without cost pursuant to a licensing agreement with Trinity which is included in Exhibit C.

Finally, in approximately 1989 Trinity again gave Set Free the use of an old farmhouse and 160 acres in Ottawa, Illinois to house recovering drug addicts, etc. who are being ministered to by Set Free Christian Fellowship, Inc. Although Set Free has no formal licensing agreement with Trinity concerning the Ottawa property, we have worked under the assumption that the same terms that were applicable to the Anaheim and Colleyville properties are also applicable to the Illinois farmhouse and property.

7. "Who originated the idea to acquire WTGI?" I have been informed that a broker contacted Dr. Crouch. I don't really know, I certainly didn't.

8. "How and by whom was the idea developed?" During my first discussions with Mrs. Duff and Dr. Crouch concerning NMTV we discussed the possible sale of the Midland-Odessa television station so that NMTV could expand by purchasing a station in a larger market that served more people. Several different stations were discussed. I supported NMTV's expansion and thought that acquiring a station in a larger market was a good idea. I don't recall if Wilmington, Delaware or the Philadelphia television market was specifically discussed.

Sometime later in 1990 Mrs. Duff and I discussed the acquisition of WTGI during a telephone call. When I heard about the proposed purchase I thought it was a good idea and I expressed my support to Mrs. Duff. At an NMTV board meeting in

January 1991 the WTGI acquisition was extensively discussed as were the negotiations concerning the sale contract. The board voted to authorize Mr. Crouch to attend a court session in Wilmington to formally present NMTV's offer for the station. I wasn't present at the board meeting, but discussed the subject with Dr. Crouch before the meeting and gave him my proxy.

9. "Who negotiated on behalf of National Minority the terms of the sale agreement?" I believe that Dr. Crouch, primarily, with Mrs. Duff's help, negotiated the terms of the sale agreement. I did not.

10. Who supervised the preparation of National Minority's assignment application?" I am told that Mrs. Duff was responsible for preparing NMTV's assignment application. I was not, and did not review the application before it was filed.

11. Who prepares and supervises the preparation of other National Minority applications?" I do not supervise or review any NMTV FCC applications. I believe Mrs. Duff does.

12. "Submit the minutes of any meetings of the Board of Directors of National Minority that discussed the acquisition of Station WTGI-TV. If the acquisition was not approved by a vote of the board state why, and submit statements from all persons that were involved in the decision to acquire the station. Those statements should describe the decision making process and the nature of the person's participation in it." I have reviewed the minutes of the board meetings discussing the sale of the

station. As far as the decision making process concerning the acquisition of the station is concerned, from my point of view it was very simple. When I first joined NMTV's board there were discussions of the sale of the Odessa-Midland station, which is in a smaller TV market, and the acquisition of a station in a larger market in which we could minister to more people. I liked the idea of expanding NMTV's television ministry. We discussed several acquisition prospects, all of which seemed attractive.

At some time during 1990 I became aware that WTGI was available for sale from a bankruptcy court. I was informed that the station essentially serves the Philadelphia market which I knew was one of the larger television markets in the country. I approved, and do approve of NMTV's efforts to extend its ministry to as many persons as possible.

13. "Are Duff and Aguilar involved in and aware of the daily activities of National Minority? If so, describe the specific ways they maintain their awareness and involvement, e.g., what kind of corporate documents do they regularly review." I am not involved in the day to day operation of NMTV's business. Mrs. Duff, however, calls me on occasion to bring me up to date on NMTV business, and I do review the minutes of meetings, both those I attend and those I do not attend. I also receive and review regular financial statements, and audited financial statements when they are prepared by our accountants.

I also speak with Dr. Crouch on a regular basis. As previously mentioned, many members of my church are trained by Trinity in production and camera work, church members serve as prayer counselors and our church is heavy involved in the "His Hand Extended" program.

Based on telephone conversations with Dr. Crouch and Mrs. Duff, and what I have learned at board meetings, I believe Mrs. Duff is the person who primarily talks to our FCC counsel and handles the day to day operational details of NMTV's business.

14. "Have Duff and Aguilar participated in the formulation of policies regarding programming and personnel practices at the proposed station?" I did not participate in any "formulation" of programming or personnel policies for the proposed Wilmington station. NMTV is an existing organization that owned two stations when I became a director. One of the reasons I became a director was because I believe one of NMTV's focuses is to hire minority group members as employees, and that its basic programming ministry was to extend the religious program ministry of Trinity Broadcasting Network to new areas. I joined the board on the assumption that those policies would be continued, and I support them.

15. "As of September 13, 1991 what percentage of station funding will come from a bank loan and what percentage will come from contributions from viewers?" As of right now, all of the

station funding will come from a loan. To date, I do not believe NMTV has received any contributions designated for the purchase of the Wilmington station.

If the station is acquired, a certain amount of contributions that come from zip codes within the station's service area will be credited against NMTV's obligations under the loan.

In the future there may be other fund raising efforts that will be used to retire NMTV's obligations under the loan. What percentage of the total sales price these contributions will ultimately constitute is unknown.

16. "Who paid for and signed the checks for the \$400,000 deposit and the \$3.6 million escrow payment?" Al Brown and Paul Crouch signed an NMTV check to acquire a \$400,000 cashier's check which was presented to the bankruptcy court. I am informed the \$400,000 was loaned to NMTV from Trinity.

The \$3.6 million payment is the proceeds of a \$4.0 million loan between NMTV and Trinity which I approved. Al Brown and Charlene Williams signed the check.

17. "To what extent do Duff and Aguilar acquire their income from Trinity as employees or consultants, or from other independent contracting agreements with Trinity?" I do not obtain any income from Trinity personally, in any capacity, as an employee, consultant, etc. I have never been compensated for my appearances on TBN programming. NMTV directors are not

compensated for their services, although they can be reimbursed for certain expenses. I have never requested any reimbursement, however.

As noted in my response earlier, however, Set Free Christian Fellowship, Inc., a church which I founded and which I am the pastor of, receives \$5,000 per month from Trinity to help administer the "His Hand Extended" program, works with Trinity personnel in the training of our church staff in video and audio program production, and has licensing agreements with Trinity for various properties for which it does not pay.

18. "Are any or all of NMTV's officers employees, independent contractors or otherwise affiliated with Trinity?"

To my knowledge, all of NMTV's officers and directors, with the exception of me, have some formal connection with Trinity. I know Dr. Crouch is the president of Trinity Broadcasting Network and a member of its board of directors and that Mrs. Duff is an assistant to Dr. Crouch. I have been told what capacities our other officers and directors occupy with Trinity, such as Charlene Williams and Matt Crouch, but do not really know that information.

19. "Describe the specific duties Mrs. Duff performs with Trinity." I do not know what Mrs. Duff's specific duties are with Trinity.

By: *Phillip R. Aguilar*
Phillip R. Aguilar

STATE OF CALIFORNIA)
)
COUNTY OF _____)

SUBSCRIBED AND SWORN TO, before me, in my presence, this
____ day of September 1991, a Notary Public in and for the county
of _____, State of California.

By: _____ (Seal)
Notary Public

My Commission Expires:

EXHIBIT A

CLAIM FOR EXEMPTION FROM PROPERTY TAX



BRADLEY L. JACOBS
 ORANGE COUNTY ASSESSOR
 P O BOX 149
 SANTA ANA, CALIFORNIA 92702
 TELEPHONE (714) 834-2779

WELFARE EXEMPTION

**CLAIM FOR EXEMPTION FROM PROPERTY TAXES UNDER
 SECTIONS 4(b) AND 5 OF ARTICLE XIII OF THE CONSTITUTION OF THE STATE OF CALIFORNIA AND
 SECTIONS 214, 254.5, AND 259.5 OF THE REVENUE AND TAXATION CODE**

See the following Sections of the Revenue and Taxation Code:

213.5	Rolling place	214.4	Elementary & high school	214.14	Museum related activities	254	Affidavit, Submit
213.7	Vol. fire dept.	214.5	School of, less than college	215.2	Bingo	254.5	SBE reviews claim
14	Welfare exemption	214.6	Leased to exempt govt. entity	221	Nursery school	255	Time to file
14.01	Irrevocable dedication	214.7	Hospitals — Physician	222	Zoological, horticultural	259.5	Contents of affidavit
14.02	Natural areas	214.8	Sec 23701d or Sec 501 (c)(3)	222.5	Possessory interest, zoo, hort.	260	Exemption waived
215.05	Unrelated income	214.9	Outpatient clinic	225.5	Education TV and FM	261	Recordation requirement
214.1	Under construction	214.10	Government funded	231	Leased to government	270	Late filing
214.2	Demolition	214.11	Needs of hospitals	236	Leased rental housing	271	Acquired after lien date
14.1	30 years use	214.13	Community Redevelopment	251	Prescribed form & procedures	272	SBE Finding: Assessor Enroll

To receive the full exemption, a claimant must complete and file this form in duplicate with the Assessor by March 15, or within 30 days of the date of Notice of Supplemental Assessment, whichever comes first.

(Read instructions carefully before preparing claim and supporting schedules.)

Phil Aguilar

(Name of person making claim)

states:

- He is Pastor
(Title, such as President, etc.)
- of the Set Free Christian Fellowship, Inc
(Corporate name file articles if incorporated)
- the corporate identification number of which, if any, is 501 C 996112007
(If none, enter "none")
- the mailing address of which is 320 N. Anaheim Blvd, Anaheim, CA 92805
(Give complete address)
- that he make this claim for welfare exemption on behalf of said organization for the 19 91 19 92 fiscal year (carefully follow instructions for the year to be entered here);
- that the owner is not organized or operated for profit;
- that no part of the net earnings of the owner inures to the benefit of any private shareholder or individual;
- that the property is used for the actual operation of the exempt activity;
- that the property is not used or operated by the owner or by any other person so as to benefit any officer, trustee, director, shareholder, member, employee, contributor, or bondholder of the owner or operator, or any other person, through the distribution of profits, payment of excessive charges or compensations, or the more advantageous pursuit of his business or profession;
- that the property is not used by the owners or members for fraternal or lodge purposes, or for social club purposes except where such use is clearly incidental to a primary religious, hospital, scientific, or charitable purpose.

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing and all information hereon, including any accompanying statements or documents, is true, correct and complete to the best of my knowledge and belief.

Phil Aguilar
(Signature of person making claim)

2-17-91
(Date)

THIS EXEMPTION CLAIM IS A PUBLIC RECORD AND IS SUBJECT TO PUBLIC INSPECTION.

Received by _____
(Deputy Assessor)

of _____
(County or City)

_____ (Date)

Number of Section Bs in claim _____

PERSON TO CONTACT DURING NORMAL BUSINESS HOURS FOR ADDITIONAL INFORMATION

Name LAS TRADER

Address 320 N. Anaheim Blvd.
Anaheim, CA 92805

Telephone Number (714) 520-0776