

1 officers?

2 A To my recollection, I think we needed the help.

3 Q And what kind of help?

4 A Financial. We were dealing with financial
5 things.

6 Q They were helping in the finances?

7 A I think my recollection is that they were,
8 yeah, giving us input on -- because we were talking about
9 debt reduction and all that kind of stuff, and I don't
10 recall much more than that.

11 Q Do you know what their duties were?

12 A I don't know what the details or duties were,
13 no.

14 Q Now, there is a reference here that the
15 president presented a 1990 audited financial report prepared
16 by an outside auditing firm.

17 Do you know who the outside auditing firm was
18 in 1990?

19 A I'm not sure who it was exactly. I imagine it
20 was -- I would think it would be the same one they had used
21 before, the Hinds, Goodrich firm.

22 Q Are you guessing or --

23 A Yes, I'm guessing.

24 Q Don't guess.

25 A Okay.

1 Q "The President stated that a second auditing
2 firm conducts an annual IRS compliance audit."

3 Do you know who that second auditing firm is or
4 was?

5 A I think he mentioned the names, but I don't
6 remember.

7 Q Do you know how much they were paid?

8 A I don't recall.

9 Q Do you know who negotiated with them to pay
10 them?

11 A I don't recall the details.

12 Q Do you know whether that firm also represents
13 Trinity?

14 A I don't recall.

15 Q Do you know what a compliance audit is?

16 A I'm not sure I do.

17 Q It states here that "At the end of 1990 the
18 corporation was in debt approximately \$2 million and its
19 assets were equal to \$3,300,000."

20 My first question is: Do you know who the
21 corporation's creditors were?

22 A No.

23 Q Do you know if there were terms outstanding to
24 repay the \$2 million?

25 A What does that mean?

1 Q Were there arrangements outstanding, agreements
2 to repay the \$2 million, do you know?

3 A I'm not sure of the details.

4 Q You don't know who it was owed to?

5 A I don't recall.

6 Q What do you know about the debt?

7 A It had to be paid.

8 Q When did it have to be paid?

9 A I don't recall the time period.

10 Q Going on, it states:

11 "The board discussed a schedule for
12 bringing the corporation out of debt.
13 Reverend Hill suggested a seven year schedule
14 to avoid placing the corporation in financial
15 difficulty. After discussion it was
16 determined that a five year plan was
17 feasible."

18 Do you see that?

19 A Uh-huh. I remember that.

20 Q Now, the five-year plan, tell me what you know
21 about that five-year plan.

22 A They talked about percentages and amounts, but
23 that's all I remember.

24 Q You don't remember the percentages and you
25 don't remember the amounts?



1 A Right.

2 Q Do you remember if all of the debt would be
3 paid within five years?

4 A To the best of my knowledge, that's what it
5 seemed like was going to be accomplished.

6 Q Was there disagreement as to whether it should
7 be a seven-year schedule or a five-year schedule?

8 A I don't think it was a disagreement. I think
9 it was just a coming together of the minds of what would be
10 best.

11 Q What was your view on the matter? Were you a
12 seven-year man or a five-year man?

13 A I was a five-year man.

14 Q Why did you want five years as opposed to
15 seven?

16 A Because the input that seemed to be going on
17 around the round table seemed to me that that would be
18 better.

19 Q So there was a decision to pay off the debt in
20 five years?

21 A I'm not sure if we made that decision or not.

22 MR. TOPEL: Lou, can we take five?

23 MR. COHEN: Sure.

24 (Recess taken.)

25 MR. COHEN: Let's go back on the record.

1 Q I want to show you a minute of NMTV which
2 occurred on May 8, 1992. I want to ask you whether any
3 persons were present that are not listed in that minute, if
4 you can remember.

5 A Okay.

6 Q And my question is -- well, I guess there was a
7 pending question, wasn't there?

8 A Yes. You asked if there was anybody else other
9 than the names listed there.

10 Q Yes.

11 A I don't recall anybody else.

12 Q What about Mr. Juggert, do you remember him?

13 A I don't recall if he was there.

14 Q The next minute is a meeting of October 15,
15 1992 that you were not present at; that is, you weren't at
16 the meeting. Would you look that minute over.

17 MR. TOPEL: What date are you on, 10/15/92?

18 MR. COHEN: Exactly.

19 Q Remember, you didn't attend that meeting.

20 A That's correct. I was not there.

21 Q Now, my question is: That's your signature, I
22 take it?

23 A Yes.

24 Q You signed this document on October 18, 1992?

25 A Yes, sir.

1 Q And do you recall how it came about that you
2 signed it? Did somebody bring this over, a messenger, or
3 was it mailed to you? What was the procedure, if you can
4 remember?

5 A To my knowledge, the normal procedure that
6 always happens is it's in my office there when I get back.

7 Q And you signed it, and then somebody picks it
8 up, a messenger picks it up?

9 A We sent somebody back over there.

10 Q We are now talking about an event that wasn't
11 that long ago. We are talking about October of 1992. Do
12 you remember that period of time, and do you remember
13 signing this, for example?

14 A Yes.

15 Q Do you have a recollection of what you were
16 told about the meeting when you signed the document, when
17 you signed the consent?

18 A Yes.

19 Q Tell me what you were told when you signed the
20 consent.

21 A I was called, and, actually, it says San
22 Francisco, I was up in the Bay Area towards Fresno, I was
23 called, I talked to Paul Crouch, and we talked about -- he
24 gave me a long spiel on what this was about and about
25 E.V. Hill and talking about community leaders, talking about

1 President Bush, talking about our involvement with
2 minorities in L.A., and we had a considerable lengthy
3 conversation about this corporation and matching funds and
4 this type of thing, and it was one of those situations where
5 I listened, and it sounded like an excellent possibility.

6 Q So you approved of the idea?

7 A Yes.

8 Q Did the loan reach fruition?

9 A No. To my knowledge, we never did it.

10 Q Do you know why?

11 A No.

12 Q Did anybody tell you why the loan didn't reach
13 fruition?

14 A No.

15 Q No one did?

16 A No.

17 Q Weren't you curious?

18 A No.

19 Q Weren't you disappointed?

20 A I had too many other things on my mind, no.

21 Q You never talked with Reverend Hill about it?

22 A No, never did follow up on that. I was patient
23 still.

24 Q When did you learn that the funding of
25 1.5 million wouldn't take place or didn't take place?

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1 A I don't recall ever having had the news relayed
2 to me it's all over.

3 Q As of this minute?

4 A As of this minute.

5 Q In other words, this is the first time you gave
6 consideration to this?

7 A No. I gave consideration before, but because
8 of all the other priorities I have in my life, it hasn't
9 been on the top.

10 Q So as of this minute no one really ever
11 reported to you on the status of this matter?

12 A They may have, but I never personally read what
13 the status of the matter was or what the status of it was.

14 Q Do you recall anybody up until this very minute
15 reporting to you on the status?

16 A They may have, but because of my busy schedule
17 and my complex work load, I may have overlooked it figuring
18 it was because Bush lost the election or something like
19 that.

20 Q You don't remember that?

21 A No.

22 Q You have no recollection, is that what you're
23 saying?

24 A I don't remember.

25 Q And you don't remember asking?

1 A No, I don't remember asking.

2 Q Do you remember when you resigned from the
3 board of directors of NMTV?

4 A I don't remember the exact date.

5 Q Do you remember approximately?

6 A I think it was January or February of this
7 year.

8 Q Let me show you a document that was produced in
9 discovery, document 07281. It's a handwritten note. It
10 purports to be a handwritten note from you, and see if that
11 refreshes your recollection.

12 A Yes.

13 Q Does that refresh your recollection?

14 A It sure does.

15 Q When did you resign?

16 A The actual date is 4/13/93.

17 Q And who is that addressed to?

18 A Dear Paul, Jane, Evie.

19 Q Oh, Evie is E.V. Hill?

20 A Uh-huh.

21 MR. TOPEL: You need to say yes.

22 THE WITNESS: Yes, like Howard is Howie.

23 BY MR. COHEN:

24 Q I see. E-v-i-e is E.V.?

25 A Evie.

1 Q You are a phonetic speller. I thought there
2 was a new character.

3 A And Colby is Opie.

4 Q Do you want that on the record or off the
5 record?

6 A It's fine. Everybody else knows him.

7 Q He's known as what?

8 A Opie. I give nicknames to people.

9 Q I thought you said something else.

10 A That's it. I'm ready to move on.

11 Q Let's get serious here so we can go home.

12 You state in this, "Due to my evangelistic
13 activities, I cannot donate the time necessary."

14 A Yes, sir.

15 Q Was there an increase in your evangelistic
16 activities since the time you had become a director?

17 A Yes.

18 Q You say you cannot donate the time necessary.
19 How much time did you think you had to donate in order to
20 stay a board member?

21 A I ended up picking up in the last two years,
22 easy, 150 churches that I'd go minister and visit at. And
23 probably from the time I joined on, it almost doubled my
24 schedule, so it just consumed my time.

25 Q And that's how you came about resigning?

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1 A Yes.

2 Q Now, do you recall having a telephone
3 conversation or a face-to-face conversation, either one,
4 with Paul Crouch about your resignation before you resigned?

5 A I don't recall having one with him.

6 Q You don't recall him asking you to resign?

7 A No. He didn't talk to me about resigning.

8 Q Do you recall having a telephone conversation
9 or a face-to-face meeting with Mr. Crouch where more than
10 NMTV was discussed?

11 A No.

12 Q You have no recollection of any conversation
13 with him, let's say --

14 A That had to do with me resigning?

15 Q Before we talk about you resigning, do you have
16 a recollection of a conversation with Paul Crouch in, let's
17 say, March or April of 1993?

18 A Yes, I think probably somewhere around there I
19 had a conversation with him.

20 Q And what was that about?

21 A I can't even remember now, but --

22 Q Well, try hard. If you can't, you can't,
23 but --

24 A I can't remember.

25 Q Do you want to spend a minute thinking about

1 it?

2 A I don't really recall the details of the
3 conversation, no.

4 Q Do you recall the substance?

5 A Not even the substance.

6 Q Why would you be talking to Paul Crouch, I'm
7 trying to stimulate your memory, back in March or April of
8 1993?

9 A Probably about -- we had a case in Texas going
10 on, so how it was going.

11 Q But it's your testimony you do not --

12 A I do not remember him talking to me about
13 resigning.

14 Q And is it your testimony that you didn't, or is
15 it your testimony that you don't recall talking about
16 resigning?

17 A I don't recall.

18 Q And do you have any recollection of him
19 suggesting you resign?

20 A I don't have any recollection of that at all.

21 Q Do you have any recollection of Paul Crouch
22 saying that your criminal record and the way that was
23 handled at the FCC was an embarrassment to Trinity and/or to
24 NMTV?

25 A No.

1 Q You don't recall him ever saying that to you?

2 A No.

3 Q Do you recall him saying that he was upset or
4 distressed or disturbed because of the way you had failed to
5 cooperate in reporting what was required to be reported to
6 the FCC?

7 A Never to me. That's what you're saying, you're
8 saying he said this to me, correct?

9 Q I'm not saying anything. I'm asking you
10 whether he ever said anything to you along those lines.

11 A No.

12 Q I'm not saying he did.

13 A No, I don't recall him ever saying anything
14 like that.

15 Q Do you recall Paul Crouch ever suggesting that
16 if you didn't resign, either Trinity would have to reassess
17 or reappraise its relationship with Set Free?

18 A No.

19 Q And do you recall that Paul Crouch said to you
20 that if you didn't resign, some of the benefits that were
21 accruing to Set Free would be re-examined?

22 A Not a chance.

23 Q Not a chance, that's fine. And you're
24 testifying, then, that the letter that I just -- I don't
25 know if we read this into the record or not, but let's do

1 that if we haven't. Would you read that into the record.

2 A "Dear Paul, Jane, Evie: I resign from National
3 Minority TV Inc. Thank you for the privilege for the time I
4 got to participate, but due to my evangelistic activities I
5 cannot donate the time necessary. Love, Pastor Phil." It's
6 signed by "Phil Aguilar," his own man.

7 Q It's your testimony, then, that the reasons set
8 forth in that letter are the real and correct and true
9 reasons that you resigned?

10 A Yes.

11 MR. COHEN: If I can review my notes, I think I'm
12 finished. I have no further questions. Thank you very
13 much, Pastor.

14 THE WITNESS: Thank you very much, Mr. Cohen.

15 MR. SHOOK: It's my turn now. Do you want to take a
16 little break before we get started?

17 THE WITNESS: No. I'm fine. Thank you.

18

19

EXAMINATION

20 BY MR. SHOOK:

21 Q If I remember correctly, you testified that at
22 various times during your tenure as director you had
23 occasion to look at the minutes of the NMTV board of
24 directors meetings that occurred; is that correct?

25 A I think more correct is it seems like I looked

1 at minutes, but I think I'm depending more on hearing the
2 minutes being read of what happened at the previous meeting.

3 Q Did there come a time when you had occasion to
4 review the minutes of the meetings of the board of directors
5 of NMTV and the name of the corporation that it was before
6 that time to see what happened before you became a director?

7 A Others may have done that, but I don't remember
8 me ever personally doing that.

9 Q Was it ever brought to your attention that at
10 various times prior to your becoming a director of NMTV that
11 the board of NMTV would meet in conjunction with board
12 meetings of Trinity Broadcasting Network?

13 A I was not aware of that.

14 Q You have also testified that financial
15 documents, such as an audit report, and you mentioned the
16 accountants' names, were brought to your attention while you
17 were a director.

18 A Yes.

19 Q Do you have any recollection of looking at
20 financial statements, audited statements --

21 A No.

22 Q -- of NMTV for the years prior to your becoming
23 a director?

24 A No, I don't recall that at all.

25 Q Was it ever brought to your attention that

1 financial audit reports for NMTV had at times past, at times
2 before you became a director, that such records were a part
3 of financial reports prepared for TBN as opposed to simply
4 NMTV having its own financial audit report?

5 A They may have said something to that, but I
6 don't recall the comments, if there were any made referring
7 to the prior.

8 Q Now, I will show you some financial statements,
9 and perhaps this will help your memory, and perhaps it
10 won't. The first one I want to show you is National
11 Minority Television, Inc. financial statements year-ended
12 December 31, 1989, Bates stamp numbers 029751 through
13 029759.

14 And the cover letter with the report indicates
15 that the report was prepared or finalized on or about
16 September 28, 1990. So this would have been shortly after
17 you became a director.

18 A Yeah, these look familiar. I can't tell you
19 any details about them, but it looks familiar. And of
20 course the name and stuff like that, I didn't remember if it
21 was Goodrich & Hinds, but I knew it was Hinds something.

22 Q Now, by comparison, I want to show you a
23 financial report entitled "Trinity Broadcasting Network,
24 Inc. and Subsidiary and Affiliates Audit Report dated
25 December 31, 1987," Bates stamp numbers 029770 through

1 029794.

2 The purpose of showing this to you is not to
3 have you read through it and talk about the figures but just
4 to ask you whether or not you have seen a document such as
5 this before.

6 A Yes, this looks familiar also, the details and
7 things like that.

8 Q One aspect I want you to focus on in
9 particular, and you can put it down and I'll turn the page,
10 you will note that on what is the third page of what I'm
11 handing you, Bates stamped 029772, that there is a table of
12 contents, and that in this table of contents National
13 Minority TV appears along with a number of other
14 corporations and a second time it also appears, so you can
15 see that, do you not?

16 A Uh-huh.

17 Q You mean yes?

18 A Yes, I can see that.

19 Q Now, was any explanation given to you at any
20 time as to how it came to be that financial reports for
21 years 1988 and on had NMTV not included as a part of the
22 combined Trinity Broadcasting Network but as a separate
23 report?

24 A Was there any reason ever given to me?

25 Q Yes, sir.

1 A I don't recall any kind of reasoning about the
2 finances.

3 Q Now, I recognize in my question that it's not
4 clear that you had actual knowledge that such a thing
5 occurred, but what I was wondering is if such explanation
6 had been given to you that at one point in time National
7 Minority TV was included in these financial reports but at a
8 later point in time it was not.

9 A They were separated?

10 Q Yes.

11 A No.

12 Q No explanation was given to you?

13 A No explanation.

14 Q Thank you. You've testified on a number of
15 occasions, and off the record we've had conversations to the
16 effect, that you're a big picture man.

17 When you were asked to become a member of the
18 board of directors of National Minority TV, can you describe
19 what you understood the big picture to be in terms of what
20 National Minority TV was supposed to do.

21 A Well, I thought my purpose, my biggest purpose,
22 while I was coming on is because I was a minority, number
23 one; and, secondly, because my life and my work was involved
24 with minorities all across the networks; number three, my
25 appearances on TBN itself and any other affiliate station or

1 anything like that, I developed like a rapport with
2 minorities.

3 And so I saw myself coming on because I could
4 be a help in expanding the feelings, the communication, what
5 a minority felt, you know, how to be able to get them more
6 involved in the work force and that type of thing. I saw
7 myself more as that other than some intelligent guy that
8 knew how to write documents or things like that.

9 Q The purpose of my question wasn't so much to
10 focus on your reasons for joining or what you could
11 contribute. The focus of my question was directed more
12 toward what was it that National Minority TV was supposed to
13 do. It may be hard to distinguish.

14 But I'm assuming for the purposes of my
15 question that National Minority TV has, perhaps, some
16 overriding purpose to it.

17 A You mean how I fit into that?

18 Q No, not so much how you fit into it, but what
19 you understood that purpose to be.

20 A Is to totally get minorities involved in TV,
21 and the terminology I'm not sure of, but production, running
22 a TV program, you know, have the minorities involved in TV
23 programming.

24 Q Now, if I mischaracterize or I misunderstand
25 what your testimony or what your answer is there, correct me

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1 and we'll eventually get it right.

2 The way I see your answer, what I perceive
3 here, is that the purpose of the corporation was to, number
4 one, increase minority employment?

5 A Uh-huh.

6 Q And by increasing minority employment, you
7 expose minorities to all aspects of bringing television to
8 the people, so that minorities who are employed by NMTV can
9 then, perhaps if the day comes, take this knowledge and move
10 on and continue to be employed in the television industry.
11 That's one aspect of it.

12 A A second aspect of it would be that the
13 programs themselves that are going to be run on NMTV
14 stations are going to have some kind of peculiar focus
15 towards minorities so as to help the minority community in
16 one fashion or another?

17 A Right.

18 Q Would that be a fair and correct understanding?

19 A Exactly.

20 Q Now, when you became a director of National
21 Minority TV, National Minority TV had two full-power
22 television stations at that time, one in Odessa, Texas and
23 one in Portland, Oregon.

24 A What understanding, and I'm going back a couple
25 years now, what understanding did you have as to the

1 demographics of the two communities? By the word
2 "demographics," I'm asking essentially for what your
3 understanding was as to the percentages of minorities in
4 those two communities and what those minority groups might
5 be.

6 A I didn't have any real picture. Mine, like I
7 said, was numerical. I was still thinking numerical.

8 Q By that, would I be correct in understanding
9 that you perceived the number of people who could receive
10 the Portland signal as being greater or lesser than the
11 number of people who could receive the Odessa signal?

12 A Yes, and --

13 Q Well, I don't know which one it is, so you help
14 me out here. Did you perceive Portland as having the
15 greater population overall than Odessa, or was it the other
16 way around?

17 A Well, Odessa, the reason -- Portland didn't
18 even come into my thinking or our thinking when we discussed
19 it. What we were talking about was Odessa versus the
20 Wilmington, Delaware area. Portland was an established
21 entity that wasn't really something talked about when I came
22 into the board of selling or anything like that. It was
23 Odessa.

24 So when I was coming on, I was learning, you
25 know, I was trying to pick up details and things about

1 stations and all that, and Portland was just like a strong
2 foundation going along just fine, and Odessa was the one
3 that was being talked about and the possibility of getting
4 the Wilmington, Delaware one. And that's the place where I
5 was talking numerically. I never really studied the
6 demographics.

7 Q The comparison, then, that you are making is
8 between Odessa on the one hand and Philadelphia on the
9 other?

10 A Yes.

11 Q And it was clear to you that if NMTV could have
12 a station in Philadelphia, that it was going to reach many
13 more people than the station in Odessa might?

14 A Exactly.

15 Q Were there discussions or did you give any
16 consideration as to a comparison between Odessa and
17 Portland?

18 A No, I never personally remember -- I never
19 personally thought about it myself or remember hearing any
20 discussions like that.

21 Q Was it ever brought to your attention what the
22 comparative demographics might be between Odessa and
23 Portland?

24 A It never was brought to my attention, that's
25 right.

1 Q So your focus in terms of the sale of Odessa
2 was always in terms of well, we can sell Odessa, and if we
3 can pick up Philadelphia, we're going to reach a much bigger
4 audience?

5 A Yes.

6 Q Now, also in terms of Odessa, when you became a
7 board member, was it your understanding that the decision to
8 sell Odessa in favor of acquiring a station in Philadelphia
9 had essentially already been made?

10 A No. It was still in the talking stages, and I
11 felt a complete part of that one.

12 Q Had it been brought to your attention that
13 there had, in fact, been prior discussions, that is, prior
14 to you becoming a member of the board of directors, to sell
15 Odessa in favor of a station in some other market?

16 A Yes, I recall a conversation about considering
17 it.

18 Q Was it ever brought to your attention or do you
19 ever recall receiving any information as to why Odessa would
20 be sold as opposed to Portland?

21 A There were some details given about it, but I
22 don't recall what they were as far as -- it wasn't anything
23 like real negative and it's a worthless type thing or
24 anything like that, just the greater of the two.

25 Q I'm trying to firm up that the understanding

1 you had was essentially Odessa in favor of something larger
2 rather than there being any comparison between Odessa and
3 Portland.

4 A Right. Exactly.

5 Q Did it ever occur to you or do you remember
6 discussing with any other board members whether it might be
7 a better idea to sell Portland and keep Odessa and acquire a
8 station in another market that has a large population and a
9 large minority presence?

10 A Never do I remember discussing that with
11 anybody else.

12 Q In discussing the situation with respect to
13 Odessa, do you recall it ever being brought to your
14 attention how many employees the Odessa station had and what
15 percentage of those employees was minority?

16 A No, I don't remember any conversation like
17 that.

18 Q Did you become aware while you were a director
19 of NMTV that NMTV had filed applications for low-power
20 television stations and/or translator stations?

21 A Did I know that they had filed them?

22 Q Yes, sir.

23 A Yes.

24 Q Do you know how it was determined that NMTV
25 should seek to acquire low-power stations or build low-power

1 stations in the markets that NMTV chose to try to get into?

2 A How they chose those places?

3 Q Yes, sir.

4 A I'm not sure. I thought, like I says, that it
5 was availability of ones that were open that they could
6 purchase. I didn't know any details about if there was a
7 better area, that type thing. I thought as they came up and
8 they knew of an opening, they sought out to find out about
9 them, that we'd get whatever ones we could.

10 Q Were you aware of whether NMTV had any criteria
11 that it would use to determine whether it should seek to
12 acquire or build a translator station in market A as opposed
13 to market B?

14 A No, I don't remember any criteria to determine
15 that.

16 Q Was it ever brought to your attention that NMTV
17 would file for a low-power station in one market and Trinity
18 Broadcasting Network might also be filing for a low-power
19 station in a different market and then, further, why NMTV
20 would be in market A and Trinity would be in market B?

21 A No.

22 Q Do you know Pastor Phillip David Espinoza?

23 A No.

24 Q You have never had occasion to meet the man?

25 A I don't think I've ever met him.