

1 board, was Tyrone Brown still providing legal services for
2 NMTV?

3 A I'm not sure if he was still providing them. I
4 don't know if it was just over a course of a week or two or
5 a month, I'm not sure.

6 Q He may have still been providing services,
7 then?

8 A He may.

9 Q Did you ever know the basis upon which
10 Mr. Brown was hired to represent NMTV?

11 A I didn't know all the details, but I know we
12 wanted to have someone who is knowledgeable and skillful and
13 could help us out.

14 Q Did you know the hourly rate that he charged?

15 A No.

16 Q Did you know how much money he was paid?

17 A No. I remember them talking about figures,
18 what it would cost, things like that. But off the top, I
19 get confused with just how much you guys get paid today.

20 Q Who did he have his discussions with concerning
21 how much he was going to get paid, what his hourly rate
22 would be, if you know?

23 A I really don't know for sure, but I know it was
24 discussed pricewise of what he would cost to all of us.

25 Q Do you know if Mr. Brown wrote letters to any

1 of the directors of NMTV?

2 A I don't recall.

3 Q Did you ever get any letters from him?

4 A I don't recall.

5 Q Now, there came a time when Mr. Brown sent a
6 retainer letter to Colby May, and Colby May in turn sent it
7 on to Jane Duff. Did you ever see that retainer letter?

8 A I don't recall.

9 Q Let me show it to you.

10 MR. TOPEL: Do we have a document number?

11 MR. COHEN: I'm going to give it to you. The fax
12 from Colby May to Jane Duff was dated January 29, 1992, and
13 it's document 57580. And then the document to Jane Duff
14 from Tyrone Brown, a copy to Colby May, and your name is not
15 on there, and that's why I'm not asking you about it, was
16 dated January 29, 1992, and that's 57848 and 57849.

17 Q I am not going to ask you about the substance
18 of this. All I want to know is whether you ever got a copy
19 of that letter.

20 A No.

21 Q Thanks. And there came a time when Mr. Brown
22 sent a bill to Mrs. Duff, and that was in a letter dated
23 February 25, 1992 and with a bill enclosed, document 57836
24 and 57837. Did you get a copy of either one of those
25 documents?

1 A No, I don't remember getting any copies.
2 Q Do you remember seeing them before?
3 A No.
4 Q And do you remember seeing the other document I
5 just asked you about?
6 A No, sir.
7 Q I'm talking about the letter dated January 29.
8 A Right. The one you just showed me?
9 Q Yes.
10 A No.
11 Q You don't recall seeing that one before?
12 A No.
13 Q Then there came a time that Mr. Brown wrote a
14 letter to Jane Duff dated February 26, 1992, document 00329
15 and 00330.
16 And I ask you, first, whether you ever saw a
17 copy of that letter. You are not copied on it.
18 A No, I don't remember seeing that.
19 Q You don't recall seeing that letter?
20 A No.
21 Q Then there is a bill to Jane Duff from
22 Mr. Brown dated April 22nd, 1992, document 06285.
23 Do you recall seeing that document?
24 A No, I don't remember seeing that.
25 Q And a bill dated July 16, 1992 to Mrs. Duff

1 from Mr. Brown, or it's actually from another member of the
2 firm, from Mr. Brown's firm that is. And the document
3 number is 06281.

4 Do you recall seeing that document?

5 A No, sir.

6 Q Do you have any knowledge why these bills were
7 not sent to you?

8 A No. They could have told me about them. They
9 could have said something about them. I don't have any
10 knowledge of that.

11 Q Do you know why the letters that I've just
12 identified weren't sent to you or copied to you?

13 A No, sir.

14 MR. COHEN: Thank you. I have no further questions.

15 MR. SHOOK: I have no questions as a consequence of
16 Mr. Topel's redirect.

17 (Whereupon the deposition proceedings
18 concluded at 5:15 p.m.)

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The undersigned Certified Shorthand Reporter of the State of California does hereby certify:

That prior to being examined, the witness in the foregoing proceedings was duly sworn to testify the truth, the whole truth and nothing but the truth.

That said proceedings were taken before me at the time and place therein set forth, and were taken down by me in shorthand and thereafter transcribed into typewriting under my direction and supervision; and I hereby certify that the foregoing transcript of proceedings is a full, true and correct transcript of my shorthand notes so taken.

I further certify that I am neither counsel for nor related to any party to said action, nor in anywise interested in the outcome thereof.

In witness whereof, I have hereunto subscribed my name this 4th day of October, 1993.



SHERI CLARK BELL
CSR No. 6368

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 KTEB. 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 TEN 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

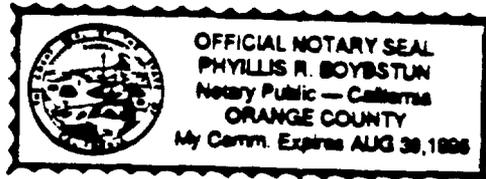
STATE OF CALIFORNIA)
COUNTY OF Orange)

SUBSCRIBED AND SWORN TO, before me, in my presence, this 24th day of September 1991, a Notary Public in and for the county of Orange, State of California.

By: *Phyllis R. Boydston*
Notary Public

My Commission Expires:

8-30-95



LICENSE AGREEMENT

This License Agreement is entered into this 9th day of August 1985, between Trinity Broadcasting Network, Inc., (hereinafter called "Licensor") and Set Free Christian Fellowship, Inc., (hereinafter called "Licensee").

IN CONSIDERATION OF the mutual desire and intent of the parties to provide temporary housing for those in need and in further consideration of the parties' mutual intent and desire to provide spiritual and physical ministry to the general public in a manner than honors Jesus Christ, Licensor hereby grants to Licensee an exclusive license to enter and occupy that certain building owned by Licensor and generally referred to by the following address, 511 North Anaheim Boulevard
Anaheim, California,

which building is hereinafter referred to as the "Premises".

The Licensor and the Licensee agree to the following terms and conditions:

1. TERM: The term of this License shall be for one (1) year beginning on the day and year first written above. Should said Premises, or any essential part thereof, be totally destroyed by fire or other casualty, this Agreement shall immediately terminate; and in the case of partial destruction thereof, this Agreement may be terminated immediately by either party by giving written notice to the other. Notice of termination by either party shall be valid when given in the manner hereinafter provided.

2. LICENSE FEES: Licensee shall not be required to pay any license fees.

3. DEFAULT: If Licensee shall fail to keep or perform or abide by any term, condition, covenant or agreement of this Agreement and such default shall continue for a period of two (2) days after written notice from Licensor to Licensee of such default, Licensor may immediately or at any time thereafter terminate this Agreement and the License hereby granted, and this Agreement and the license hereby granted shall be deemed to have been terminated upon the giving by Licensor to Licensee of written notice of such termination.

4. LICENSOR'S RIGHT OF PRIOR APPROVAL: Licensee shall make no alteration, addition to or improvement or install any equipment on said Premises without the prior written consent of Licensor and any request by Licensee of Licensor to make any such alteration, addition, improvement or installation shall in each instance be accompanied by plans and specifications therefor all in such reasonable detail as Licensor may require.

5. COSTS OF INSTALLATION AND LIENS. All alterations, additions, improvements, and installations made by Licensee pursuant to this Agreement shall be made at its sole cost and expense. Licensee agrees at all times to maintain all installations made by Licensee pursuant to this Agreement in good order and repair and in a safe and proper condition.

Licensee shall not suffer or permit any lien to be filed against the Premises by reason of work, labor, services or materials supplied or claimed to have been supplied to or for the benefit of Licensee and nothing in this Agreement contained shall be deemed or construed in any way as constituting the consent or

request of the Licensor, expressed or implied, by inference or otherwise, to any contractor, subcontractor, laborer or materialman for the performance of any labor or the furnishing of any materials that would give rise to the filing of any lien against the Premises. If any such lien shall at any time be filed against the Premises, Licensee shall cause such lien to be discharged of record within five (5) days after the date of the filing thereof.

6. INDEMNIFICATION OF LICENSOR: Licensee agrees to indemnify and defend Licensor and to save harmless Licensor, and the directors, officers, invitees, agents, servants, and employees of Licensor, their successors and assigns against and from any and all claims, damages, liabilities, costs, and expenses which Licensor or such other persons or parties may incur or be liable for, including attorney's fees, occurring on said Premises, or on, in or about adjoining buildings, streets, sidewalks or vaults, or in any way arising out of or related to this Agreement or any of the provisions thereof, occasioned in whole or part by any act or omission on the part of Licensee or any contractor, employee, agent, visitor, or assignee of Licensee, or by reason of any unlawful use of the rights granted hereunder or by reason of any breach, violation, or non-performance of any covenant in this Agreement on the part of Licensee to be observed or performed, and also by reason of any matter or thing growing out of the occupancy or use of said Premises or out of the erection, maintenance or use of equipment or other facilities on or about said Premises by Licensee or anyone holding or claiming to hold through or under Licensee.

7. RIGHT OF LICENSOR TO ENTER PREMISES: Licensor shall have at all times the right to enter the Premises and to inspect same.

8. RISK OF LOSS: All risk of loss or damage to all or any part of any equipment or other property installed pursuant to this Agreement shall be borne by Licensee. Licensee hereby releases and forever discharges Licensor of, and from, any and all liability for direct or consequential damage or injury that may be done to such equipment and facilities or Licensee's use thereof resulting from the use by Licensor of the Premises, as well as from all liability, loss or damage to which Licensee may be subjected by reason of the use, erection, or maintenance of such equipment and facilities.

9. INSURANCE AND INSURANCE RATES: Licensee shall carry fire and extended coverage insurance insuring its interest and Licensor's interest in equipment or improvements on the said Premises, the Premises, and its interest in equipment or other property erected, maintained or used under this License. Licensee shall also carry general public liability insurance naming Licensor as an additional insured thereunder, covering claims for personal injury or property damage, with such limits as may reasonably be requested by the Licensor from time to time, but not less than \$500,000/\$1,000,000 in respect to bodily injury and \$100,000 for property damage. All insurance coverage required to be carried by Licensee hereunder shall be written by such insurers as Licensor shall approve and shall provide for not less than thirty (30) days prior written notice to Licensor of any amendment, renewal, cancellation

or expiration of any such coverage. Licensee shall deliver evidence of such insurance coverage to Licensor, satisfactory to Licensor, upon the execution and delivery of this License Agreement. Licensee hereby waives any claim or right of action which it may have against Licensor for loss or damage coverable by such insurance and Licensee covenants and agrees that it will obtain a waiver from the carrier of such insurance releasing such carrier's subrogation rights as against Licensor.

Licensee shall not do or cause to be done or permit on the Premises anything illegal or deemed extra hazardous on account of fire or personal liability and Licensee shall not use the Premises in any manner which will cause an increase in the premium rate for any insurance in effect on the Premises or a part thereof. If, because of anything done, caused to be done, permitted or omitted by Licensee or its agents, servants or employees, the premium rate for any kind of insurance in effect on the Premises or any part thereof shall be raised, Licensee shall pay Licensor on demand the amount of any such increase in premium which Licensor shall pay for such insurance and if Licensor shall demand that Licensee remedy the condition which caused any such increase in insurance premium rate, Licensee shall remedy such condition within ten (10) days after receipt of such demand.

10. TERMINATION AND RESTORATION OF PROPERTY: On any termination of this License Agreement by either party or otherwise, or abandonment of the equipment and other property installed pursuant to this License, Licensee, at its own expense, shall remove such equipment and other property, and restore the Premises to the

condition that existed before installation of such equipment and other property.

11. COMPLIANCE BY LICENSEE WITH GOVERNMENTAL REGULATIONS:

In erecting, maintaining or using any equipment or other property installed on the Premises pursuant to this License and in the performance of any acts required of or permitted Licensee under any provision of this Agreement, Licensee shall obey and comply with all lawful requirements, rules, regulations, laws, and ordinances of all legally constituted authorities existing at any time during the continuance of such performance or during the term of this Agreement.

12. OWNERSHIP OF EQUIPMENT, ETC., TAXES: All equipment and other property erected by the Licensee on the Premises shall remain the personal property of the Licensee, regardless of the fact that such equipment or property may be attached to the Premises and shall be listed as such by the Licensee for the purpose of all ad valorem property taxes.

All ad valorem property taxes with respect to the Premises or any other taxes paid or to be paid by the Licensor as a result of the use of the Premises by Licensee or the erection, maintenance, and use of equipment pursuant to this Agreement shall be reimbursed by Licensee to Licensor immediately upon receipt by Licensee of written demand therefor from Licensor.

13. UTILITIES: It is expressly agreed that Licensor shall have no obligation or liability whatsoever to Licensee or any person or entity claiming through or under Licensee for any loss,