

244. The practice of attributing all translator items to Translator T.V., Inc. that apparently began with the preparation of a Translator T.V., Inc. balance sheet early in 1981 continued through February 1987. Moreover, each of the translator expenditures (whether for equipment purchases or for translator expenses) was also treated as an advance by Trinity Broadcasting Network to Translator T.V., Inc. (with the qualification that, in 1985 and 1986, relatively minor portions of the translator expenses were booked as advanced from Trinity Broadcasting of Arizona, Inc. (TBA) or Trinity Broadcasting of Denver, Inc. (TBD) rather than Trinity Broadcasting Network). The result of this process was that at the end of 1986 the Translator T.V., Inc. column on the combined balance sheet showed Translator T.V., Inc.'s assets as "PROPERTY AND EQUIPMENT - Less Accumulated Depreciation" at \$182,653 and its liabilities as "Amount Due Affiliates" at \$627,599. The \$627,599 was divided as follows: \$611,312 owing to Trinity Broadcasting Network, \$6,866 to TBA, and \$9,421 to TBD). Joint Exhibit 1, p. 15.

245. In January 1987, Translator T.V., Inc. undertook to purchase the construction permit for the Odessa station and in February 1987 the company changed its name to NMTV. The practice of recording all translator items to Translator T.V., Inc.'s account ended at that same time (i.e., the end of February 1987). Thereafter, NMTV's books and records were

kept separately. Before the practice ended, however, an additional \$11,293 had been recorded in 1987 as a Trinity Broadcasting Network advance to Translator T.V., Inc. for translator expenses and an additional \$597 as an additional TBA advance to Translator T.V., Inc. for translator expenses. At that point, the records showed that Translator T.V., Inc. owed \$622,604 to TBN, \$7,463 to TBA, and \$9,421 to TBD. Joint Exhibit 1, p. 15-16.

246. Mr. Sumner had no specific recollection of the change that occurred at the end of February 1987. Nor did Terrence Hickey, who was Director of Finance at the time. Mr. Huffman, the outside auditor, had no recollection except that there was some discussion at the time about NMTV accounting. It is clear, however, that a change did occur at that time. Joint Exhibit 1, p. 16.

247. On June 25, 1987, NMTV opened a checking account at a branch of Mitsubishi Bank. This was the company's first bank account. The account was opened with a \$500 advance from TBN. On June 30, 1987, another \$100,000 was advanced by TBN. On July 1, 1987, \$99,000 was withdrawn from the account to purchase a certificate of deposit in NMTV's name with American Diversified Savings, with the monthly interest on the certificate going into the NMTV checking account. On November 30 or December 1, 1987, TBN advanced another \$100,000 to NMTV and NMTV purchased a \$100,000 certificate of deposit in its

name at Far West Savings. The first certificate matured on December 28, 1987, and NMTV repaid the \$99,000 to TBN. The second certificate matured in 1989, and NMTV repaid that \$100,000 to TBN at that time. Joint Exhibit 1, p. 16-17.

248. TBN made another \$20,000 advance on December 22, 1987. It was deposited in the checking account. NMTV drew on the account in 1987 to pay \$22,000 to acquire land for the Odessa station. Checks were also drawn on the account during 1987 to pay for newspaper public notices for NMTV's LPTV applications in seven communities. All of the other disbursements from the checking account were also for NMTV purposes. That is, none of them were for translator expenses of Trinity Broadcasting Network or TBA, TBD, etc. Joint Exhibit 1, p. 17.

249. In 1987, TBN advanced \$12,500 for the Odessa construction permit and also advanced an additional \$221,954 to NMTV during that year, of which \$99,000 was repaid, leaving an NMTV indebtedness to Trinity Broadcasting Network at the end of 1987 of \$135,454. As a result of the prior accounting practice, the books still showed \$622,604 owed to Trinity Broadcasting Network, \$7,463 owed to TBA, and \$9,421 owed to TBD. These obligations were eliminated by Trinity Broadcasting Network's assumption of Translator T.V., Inc.'s assets and liabilities as they stood at the end of February 1987. Trinity Broadcasting Network's assumption of Translator

T.V., Inc.'s assets and liabilities was reflected in Trinity Broadcasting Network's Form 990 for 1987 and was explicitly stated in NMTV's Form 990 for 1988. However, the combined audit report for 1987 was prepared with an NMTV column in both the combined balance sheet and in the combined statement of revenue and expenses. Translator T.V., Inc.'s assets and liabilities as they stood at the end of February 1987 were, therefore, included in the NMTV column in the combined balance sheet for 1987. This did not happen in 1988 or subsequent years, when there was a separate audit report for NMTV and no NMTV column in the combined statements. Joint Exhibit 1, p. 17-18.

250. NMTV's Form 990 for 1988 contained a note stating: "TBN - Assume all of T.V. Translator's assets and liabilities." The result was that Line 21 in Part 1 of the return gave the company's net worth at the end of 1988 as \$28,476. NMTV's assets at that point were correctly stated in Part V of Form 990 as \$1,229,592. NMTV's liabilities, principally its debts to Trinity Broadcasting Network for Trinity Broadcasting Network advances for Odessa and Portland, was \$1,201,116. The difference, \$28,476, was NMTV's net worth. The same figures for NMTV assets, liabilities and net worth appeared on NMTV's 1988 Form 990 and on the separate NMTV audit report for 1988. Joint Exhibit 1, p. 18.

251. NMTV has had six bank accounts since it first established one in 1987. David Espinoza was a signatory of the first bank account from June 25, 1987 to August 12, 1988. He never in fact signed any checks. Tr. 4177. No director of NMTV other than Jane Duff and Paul Crouch has been a signatory to an NMTV bank account since that time. The signatories have all been Trinity Broadcasting Network employees, including Jane Duff, Paul Crouch, Terrence Hickey, Phillip Crouch, Matthew Crouch, Charlene Williams and Allan Brown. Also, local employees have been signatories of accounts maintained in Odessa and Portland. MMB Exhibit No. 396.

252. At the end of 1987, NMTV owed \$135,454 to Trinity Broadcasting Network (\$220,500 in cash advances less a \$99,000 repayment plus \$1,454 in allocated legal costs, plus \$12,500 advanced for NMTV's Odessa construction permit). By the end of 1988 NMTV's indebtedness to Trinity Broadcasting Network had increased to \$1,859,943, by the end of 1989 to \$3,735,571, and by the end of 1990 to \$4,251,848. By the end of 1991 the amount owed had decreased to \$4,088,652. At the end of 1992 the obligation was \$5,030,442.47; and on January 1, 1993, NMTV executed a promissory note for that amount. Joint Exhibit 1, p. 19.

253. The most significant factor in the obligation was Trinity Broadcasting Network advances to NMTV. As noted, Trinity Broadcasting Network advanced \$221,954 in 1987 (plus

\$12,500 for Odessa), of which \$99,000 was repaid. In 1988, an additional \$942,582 was advanced. In 1989, \$1,305,000 was advanced and \$100,000 was repaid. In 1990, \$410,000 was advanced. In 1991, \$4,000,000 was loaned, and it was repaid with interest of \$11,681 that same year after NMTV's Wilmington purchase failed to materialize. In 1992, another \$1,000,000 was loaned. Joint Exhibit 1, p. 19-20.

254. Another factor was payments by Trinity Broadcasting Network for equipment purchases for NMTV or other NMTV expenses. In 1988, Trinity Broadcasting Network paid \$769,377 for NMTV's Portland station and \$3,855 for Odessa assets. In 1989, Trinity Broadcasting Network paid \$843,671 (including \$407,181 for Portland and \$308,383 for LPTV equipment). In 1990, Trinity Broadcasting Network paid \$79,435 for LPTV equipment and \$20,278 for LPTV expenses. In 1991, Trinity Broadcasting Network paid NMTV costs of \$10,994 and in 1992, \$25,556. Joint Exhibit 1, p. 20. Trinity Broadcasting Network also provided guarantees for equipment credit when required. MMB Exhibit No. 290; Tr. 1376-77.

255. The indebtedness was also affected by Trinity Broadcasting Network's charging to NMTV the NMTV portion of expenses such as legal costs. These were principally from the bills submitted by the law firm of May & Dunne. Listed below are the costs allocated to NMTV from 1987 through 1992 and the

portion of each year's amount attributable to the May & Dunne bills.

	<u>Expenses Allocated To NMTV</u>	<u>Amount from May & Dunne Bills</u>
1987	\$ 1,454	\$ 1,454
1988	13,965	13,112
1989	12,551	10,480
1990	11,156	10,606
1991	62,903	60,160
1992	93,434	41,811

Each May & Dunne bill listed for various entities (TBA, TBD, TBN/General, etc.) the hours charged for attorney time and for clerk time and the expenses incurred for that entity. Beginning with the bill dated February 17, 1987, for the period January 12-February 13, 1987, NMTV was included in the list of entities, and each bill gave the attorney hours, clerk hours, and expenses for NMTV. The amount to be allocated to NMTV from each bill was calculated in the Trinity Broadcasting Network accounting department from the information given on that bill for NMTV hours and NMTV expenses, and the same was done for each other entity. Joint Exhibit 1, p. 20-21.

256. NMTV's indebtedness to Trinity Broadcasting Network was also substantially affected by the treatment of amounts received by Trinity Broadcasting Network from donors in zip codes in areas where NMTV operated stations. For example, in

1991 Trinity Broadcasting Network received \$1,180,809 from Portland zip codes of which \$1,132,943 was credited to NMTV in that year. The two amounts are not equal because there was always a lag between Trinity Broadcasting Network's receipts and the crediting to NMTV's account. The \$1,180,808 was, in effect, a reduction in NMTV's indebtedness to Trinity Broadcasting Network and the \$1,132,943 was, in effect, an increase in that indebtedness. The effects of the treatment of NMTV's share of network airtime charges were similar. For example, in 1991 the NMTV's stations' share of Trinity Broadcasting Network receipts from the purchasers of time on the network was \$574,412, of which \$530,694 was credited to NMTV during the year. The effect was to reduce NMTV's indebtedness to Trinity Broadcasting Network by \$574,412 and to increase it by \$530,694. When NMTV generated production revenue of \$9,473 in 1991, that had the effect of decreasing the indebtedness by that amount. The impact of these factors on NMTV's indebtedness in 1988 was to decrease the indebtedness by \$5,289; in 1989 the effect was to decrease the indebtedness by \$130,654; so the cumulative impact at the end of 1989 was the sum of those figures, or a reduction in the indebtedness of \$135,944. By the end of 1992, the cumulative impact was to decrease NMTV's indebtedness to Trinity Broadcasting Network by \$318,899. Joint Exhibit 1, p. 21-23.

257. NMTV's payments to Trinity Broadcasting Network under its network affiliation agreement were separate from the transactions referred to in the foregoing paragraph. Such payments amounted to twenty percent of the zip code revenues received by Trinity Broadcasting Network. TBF Exhibit No. 101, Tab X, p. 3, 14. To continue with the Portland 1991 example, the amount that NMTV paid to Trinity Broadcasting Network in 1991 for network programming on the Portland station was not included either in the \$1,132,943 advance to NMTV (which increased the indebtedness) or in the \$1,180,808 credit to NMTV (which decreased it). That payment had no effect on the NMTV indebtedness to Trinity Broadcasting Network reflected in the note for \$5,030,442.47 executed January 1, 1993. Joint Exhibit 1, p. 24.

258. The note for \$5,030,442 executed on January 1, 1993 (TBF Exhibit No. 101, Tab II) constituted the first formalization of the plans for repayment of NMTV's debt to Trinity Broadcasting Network. There were discussions of a schedule for eliminating NMTV's debt in five years at an NMTV Board meeting of January 14, 1992. MMB Exhibit No. 386, p. 2. There is also a memorandum from Trinity Broadcasting Network to the directors of NMTV purporting to be supplemental to a note of that date. MMB Exhibit No. 399. There is, however, no evidence that either of these events resulted in the execution of a separate note. The note contemplated by the

July 1992 memorandum was in fact inconsistent with the directive at the board meeting to devise a five year repayment plan and reflected a plan devised by Jane Duff on her own authority without consulting the board. Tr. 1445-48. The only note executed prior to the January 1, 1993 was the note of August 23, 1991 that was intended to meet costs associated with the acquisition of Wilmington. The note was repaid later in 1991 when the Wilmington acquisition failed to materialize. Joint Exhibit 1, p. 26. As noted, the Wilmington note contained a provision defining as a default that would allow Trinity Broadcasting Network to call in the loan a change in the control of NMTV. A similar provision is absent from the 1993 note.

259. The \$4,000,000 note of August 23, 1991, bore interest at 5% per annum. The \$5,030,442 note of January 1, 1993, did not contain any provision for interest except that late payments should bear interest at the rate of 10% per annum until paid. There was no provision in the text of the note for any payment prior to the maturity date of January 1, 1998. However, there existed a schedule of payments that was prepared at or about the time the note was prepared that referred to monthly payments of \$27,004.50. NMTV did, in fact, begin making monthly payments of \$27,004.50 in January 1993, and such payments were made each month in 1993. Joint Exhibit 1, p. 26-27. The schedule accompanying the note would

leave an indebtedness of \$3,410,172.47 remaining at the maturity date, assuming payments at the rate of \$27,004.50. TBF Exhibit No. 101, Tab II, p. 6. There is no evidence of any plans on NMTV's part as to how it will in fact repay the note when it matures. Jane Duff indicated that there would be a balloon payment; however this is not memorialized in writing. Tr. 1445.

260. There is no record of Trinity Broadcasting Network forgiving any portion of the NMTV indebtedness at any time since Trinity Broadcasting Network's assumption of NMTV's assets and liabilities, i.e., at any time since February 1987. Joint Exhibit 1, p. 27. Paul Crouch testified if NMTV were ever unable to repay its debt, he would recommend that Trinity Broadcasting Network forgive it. Tr. 3047. This, of course, is the same as saying that Trinity Broadcasting Network would in fact forgive it. According to Paul Crouch, it would be contrary to his interpretation of the scriptures to bring a legal action to enforce collection of a debt from a fellow believer. Tr. 3049. This presumably presupposes that NMTV remained loyal to Paul Crouch's religious views and plans. Paul Crouch has a history of engaging in bitter disputes with religious leaders who disagree with his approach. Tr. 3800-02.

b. Business Services

261. NMTV and Trinity Broadcasting Network entered into an Agreement To Provide Business Services dated January 2, 1991. Pursuant to this agreement, Trinity Broadcasting Network agreed to provide bookkeeping and accounting services for NMTV, including the services of accountants, attorneys and consultants, as required. The services to be provided included preparation of NMTV's payroll, financial statements, federal and state income tax returns and reports, purchasing requirements "as assigned to TBN", data processing and the servicing of NMTV's accounts payable. The cost of these services to NMTV was \$422.50 per month. MMB Exhibit No. 337. Jane Duff signed the agreement without having first sent it to the other board members for their review. Tr. 1428.

262. The agreement memorialized services already being provided by Trinity Broadcasting Network prior to the execution of the agreement. Tr. 1424-25. Also, in a board action by written consent adopted as of January 26, 1987, NMTV had appointed Trinity Broadcasting Network its "accounting agent" which authorization included, but was not limited to "the processing of donations, payment of accounts payable, the receipt of payments due this corporation and the preparation of financial statements . . ." MMB Exhibit No. 125. This action contemplated the provision of basically the same services as the 1991 agreement. Tr. 1430. Nothing in MMB

Exhibit No. 125 provided for the payment of any fee to Trinity Broadcasting Network for the services reflected therein.

263. According to Jane Duff, the monthly fee in the Agreement to Provide Business Services is one-half of what the Trinity Broadcasting Network accounting department initially determined to be its actual costs of providing the services. She did not know whether that estimate included the cost of outside accountants. Jane Duff obtained an estimate for comparable service from an unrelated firm that was "much, much, much greater" than the cost available from Trinity Broadcasting Network. Tr. 1426-28. Trinity Broadcasting Network's apparent willingness to provide services at a fraction of actual cost and an even smaller fraction of market value supports a finding that the agreement does not reflect a bona fide arms length agreement but merely reflects an attempt to give Trinity Broadcasting Network's involvement in NMTV a facade of legitimacy.

16. Engineering Operations of NMTV

264. NMTV has a "de facto" engineering department consisting of personnel at the local station and the "consultancy" of Warren Benton (Ben) Miller II. Glendale Exhibit No. 210, p. 41.

265. Ben Miller was hired by Trinity Broadcasting Network in November 1978. He became Director of Engineering of Trinity Broadcasting Network in 1980 and Vice President of

Engineering in 1986. He is responsible for all technical facets of the construction and operation of Trinity Broadcasting Network facilities world-wide. He supervises 150 persons, 50 or 60 of whom are part-time. Id., p. 10-12.

266. Ben Miller described himself as "technical consultant" for NMTV. Id., p. 14. He described his role in this respect as assisting with construction; providing a technical backstop to the technical personnel; and offering advice on compliance issues and other engineering issues. Id., p. 15. He also characterized his role as providing technical services in support of NMTV's facilities and projects "as per [Jane Duff's] requests". Id., p. 55. His services also included support services such as the use of his clerical and purchasing support staff. Id., p. 22.

267. Ben Miller received no compensation for his services as a "consultant" for NMTV. Id., p. 29,54. His services provided to NMTV did not affect his compensation from Trinity Broadcasting Network in any way. Tr. 2761-62. NMTV pays no fees for engineering services from Trinity Broadcasting Network. This arrangement as well as Ben Miller's role as consultant have not been memorialized in writing. Tr. 2330-33.

a. Supervision of Full Power Station Construction

268. As part of his services, Ben Miller supervised construction of NMTV's stations in Odessa and Portland.

Glendale Exhibit No. 210, p. 34-36. He traveled to Portland four times in connection with the construction of that station; however, he did not have to travel to Odessa. Id.

269. In constructing a new station, Ben Miller would initially discuss general cost guidelines with Paul Crouch. Once those guidelines were agreed upon, Ben Miller had blanket authority to make purchases within the scope of the guidelines. He stated that while Jane Duff was his "general authority", she had instructed him to work with Paul Crouch on technical, budgetary and equipment issues. Id., p. 91-93, 122-123.

b. Responsibilities for Low Power Activities

270. NMTV continued to apply for low power facilities as they became available, including 33 applications since July 2, 1987. TBF Exhibit No. 105, para. 19 and Tab K.

271. Ben Miller supervised the activities of George Horvath who served as low power coordinator for Trinity Broadcasting Network and NMTV. He also supervised the technical aspects of the work of George Sebastian, who was George Horvath's predecessor. Glendale Exhibit No. 210, p. 117. These persons provided technical advice and engineering services in connection with NMTV's low power stations. They also located transmitter sites for NMTV and handled leasing matters. They provided the same services for Trinity Broadcasting Network. Tr. 1412-13; 1414-15; 1774; 2170-71.

George Horvath was a Trinity Broadcasting Network employee. He was not paid by NMTV. Tr. 1413. He suffered no diminution of his compensation as a result of his activities on behalf of NMTV although they occurred during his Trinity Broadcasting Network workday. Tr. 2171. George Sebastian was a Trinity Broadcasting Network volunteer. Jane Duff testified that he had no title; however, Paul Crouch testified that he could properly refer to himself as low power coordinator for both Trinity Broadcasting Network and NMTV. Tr. 1850, 2817. He was paid by NMTV since he was a Trinity volunteer. Tr. 1415-16. He was not, however, paid for everything he did for NMTV. Tr. 1775.

272. The initial process of selecting a community for a low power application involved an engineering analysis by the low power coordinator and the Washington consulting engineer, Kevin Fisher of Smith & Powstenko, focusing on technical issues, channel availability, population, topography and other factors. Ben Miller would be consulted as needed for his opinion on various locations being considered. A list would finally be submitted to Jane Duff. Glendale Exhibit No. 210, p. 131-32. Smith & Powstenko was consulting engineer for both NMTV and Trinity Broadcasting Network. Id., p. 23. Jane Duff would make the final decision as to which locations to apply for based on the policy of seeking stations in capital cities or the largest markets, subject to channel and site

availability. Tr. 1740-41. Minority composition was not cited as a selection criterion. This was basically a mechanical "game of elimination" of choosing those allocations available that most closely fulfilled the above criteria. Tr. 1743-44. Also, NMTV never in fact applied for a community that already had significant over-the-air Trinity Broadcasting Network service, although it was denied that this was "necessarily" a criterion. Tr. 1744-45. The filing of low power applications required little effort on Jane Duff's part. It was primarily the responsibility of the consulting firm and the low power coordinator who was responsible for site procurement. Tr. 1823.

273. NMTV claimed minority preferences in applications filed prior to April/May, 1993. At that time, no minority preferences were claimed upon the advice of Colby May due to the pendency of this proceeding. TBF Exhibit No. 105, para. 19; MMB Exhibit No. 149, p. 7; MMB Exhibit No. 201, p. 7; MMB Exhibit No. 247, p. 4; MMB Exhibit No. 285, p. 4.

274. The low power coordinator would make initial arrangements for the construction of granted low power stations and prepare a request for bids or proposal. Ben Miller would review this for acceptability and budget compliance and conduct further negotiations if necessary, after which a purchase order would issue. Glendale Exhibit No. 210, p. 72, 143. One provider of equipment sales and

turnkey installation services for low power (and occasional full power) stations to both Trinity Broadcasting Network and NMTV was Planck Technical Services, Inc. Planck Technical Services, Inc. was owned by Trinity Broadcasting Network for a period of time from the late 1980s to the fall of 1992. It was then reacquired by the original owner, Jim Planck, who was discharging his debt to Trinity Broadcasting Network by providing discounted services to Trinity Broadcasting Network and NMTV. Id., p. 19-20; Tr. 2333-35.

275. Ben Miller arranged for the provision of ongoing maintenance services for both Trinity Broadcasting Network and NMTV low power stations by Planck Technical Services, Inc. This was within his discretion under responsibilities delegated to him by Jane Duff. Glendale Exhibit No. 210, p. 106-107. Jane Duff was unaware of the continuing role of Planck Technical Services, Inc. in providing maintenance services for NMTV stations. Tr. 1852.

276. In 1991, a serious maintenance problem arose in connection with an NMTV low power station at Salt Lake City, UT. Ben Miller wrote two memos concerning this on Trinity Broadcasting Network letterheads, one to Paul Crouch (with a copy to Jane Duff) and one to Jane Duff, George Sebastian and Jim Planck. The thrust of these memos was that the problems arose because of lack of diligence on the part of a Planck Technical Services, Inc. employee. Ben Miller accordingly

recommended that a position be created at Trinity Broadcasting Network headquarters to monitor low power technical compliance. At no point in Ben Miller's memos was a distinction drawn between Trinity Broadcasting Network and NMTV facilities. Pursuant to Ben Miller's recommendation, a coordinator was established to monitor low power technical maintenance, Tim Geist. He provided services to NMTV and visited some NMTV sites to ensure technical compliance. He was a salaried Trinity Broadcasting Network employee whose work for NMTV was done on Trinity Broadcasting Network time with no diminution in his Trinity Broadcasting Network salary. MMB Exhibit No. 360; MMB Exhibit No. 361; Tr. 2141-44.

c. Engineering Activities Relating to the
Wilmington Application

278. In November, 1990, Dale Osborn prepared a report based on his inspection of WGII, Wilmington, DE. MMB Exhibit No. 331, MMB Exhibit No. 333. He was chief engineer and station manager for Trinity Broadcasting Network's Canton, OH station. Glendale Exhibit No. 210, p. 79. It "may" have been Paul Crouch's suggestion that he inspect WGII since he was closest. He was on the Trinity Broadcasting Network payroll and performed the inspection on Trinity Broadcasting Network's time which resulted in no diminution of his salary from Trinity Broadcasting Network. Tr. 2921. Ben Miller reviewed Osborn's report; however, he professed no recall of the matter

beyond his having discussed it with someone. He could not recall who the person was or the substance of the discussion. Glendale Exhibit No. 210, p. 78-84. Jane Duff recalled discussing the report with Ben Miller because she wanted to get the best information she could. Tr. 1423.

279. Paul Crouch called upon Ben Miller to prepare a study of the present and potential coverage of the Wilmington station. Glendale Exhibit No. 210, p. 25-26; MMB Exhibit No. 362; MMB Exhibit No. 363. In August 1991, Ben Miller made a visit to Wilmington at Jane Duff's request since she respected and relied upon his judgment. He conducted an equipment inventory on one day and testified as a witness in the bankruptcy proceeding concerning the station the next day. He reported orally to Jane Duff concerning the trip. Glendale Exhibit No. 210, p. 17-18, 24; MMB Exhibit No. 371; Tr. 1421-22.

d. Other Services Involving Trinity Broadcasting Network

280. Ben Miller and his purchasing secretary, Patricia St. John Clerke, have been involved in resolving disputes with NMTV vendors. Mr. Miller has undertaken to independently contact counsel in connection with such matters. Glendale Exhibit No. 210, p. 26-27, 65-66.

281. George Horvath established a site acquisition checklist for both Trinity Broadcasting Network and NMTV. Id., p. 39-40.

282. Ben Miller's authorization was required before repair and calibration at Odessa could be accomplished. Id., p. 86. He reviewed technical discrepancy reports for Odessa and Portland on a monthly basis. Id., p. 94-95. He had authority to loan surplus Trinity Broadcasting Network tape machines to Odessa. Id., p. 102-03; MMB Exhibit No. 328. He could request the assignment of NMTV employees for Trinity Broadcasting Network projects. Glendale Exhibit No. 210, p. 103-04.

283. Ben Miller authored the Master Control Operator Orientation Handbook and the Recommended Routine Transmitter Maintenance Procedure manual used by both Trinity Broadcasting Network and NMTV. Id., p. 110-12. He also provided the Odessa station manager with questions and instructions for the administration of exams as to master control operations. MMB Exhibit No. 340.

284. Ben Miller acted in an advisory capacity to NMTV chief engineers. They contacted him to advocate equipment purchases to Jane Duff. He offered advice and recommendations about FCC compliance, assisted with document and form preparation and assisted in finding vendors and spare parts. Glendale Exhibit No. 210, p. 139. Trinity Broadcasting

Network station KTBN in Los Angeles "donated" equipment to NMTV's Portland station in October, 1989. MMB Exhibit No. 281; Tr. 2069.

285. Capital expenditures in excess of \$500 required Paul Crouch's approval. In some circumstances, Ben Miller could as part of his general authority indicate Paul Crouch's verbal approval even though he had not specifically talked to Paul Crouch about a particular purchase. Id., p. 142-47.

286. In connection with engineering purchasing for NMTV, Jane Duff deferred such matters to Ben Miller and Paul Crouch because of their better understanding of the technical field. Accordingly, in the area of engineering and technical matters, purchasing procedures for NMTV were not much different than for Trinity Broadcasting Network. Tr. 2777-78.

e. Ben Miller's Title

287. Ben Miller characterized himself as "technical consultant" for NMTV, which he claimed no one had suggested to him. Glendale Exhibit No. 210, p. 29-30. He did not view himself as NMTV's director of engineering; however, he signed letters so identifying himself. Id., p. 125-26; MMB Exhibit No. 249. He sometimes used his home address when acting as a "consultant", suggesting vaguely that it reflected work done at home and also that it was something he just did. Glendale Exhibit No. 210, p. 55-56.

288. In a letter to a staff person at WGTI advising him of the impending inspection of that station (MMB Exhibit No. 371), Ben Miller used a letterhead describing himself as "Technical Consultant" with his home address. He also described himself as having been "retained" by NMTV. Thus, without more, the letter would suggest that Ben Miller was an independent contractor hired for a particular project, obscuring his actual ongoing relationship with Trinity Broadcasting Network and NMTV.

289. At p. 37 of her testimony (TBF Exhibit No. 101), Jane Duff stated that NMTV's stations had their own management, engineers and staff. This referred only to the manager at Portland, the chief engineer (Mark Fountain) and his staff, and other Portland staff. Tr. 1508-09. There is no evidence of any NMTV employee who had overall responsibility for engineering matters or of any NMTV employees with responsibility for low power operations.

290. The record reflects that the purported unpaid "consultant" -- but salaried Trinity Broadcasting Network employee -- Ben Miller in fact functioned as NMTV's director of engineering and that low power operations of NMTV have been the responsibility of Trinity Broadcasting Network personnel. Moreover, NMTV and Trinity Broadcasting Network attempted to conceal Ben Miller's role in NMTV by use of the title "consultant", which implied that Ben Miller was a retained and

compensated outside contractor. That title no more described his actual role in NMTV than if Trinity Broadcasting Network characterized him as a "consultant" in connection with his duties at Trinity Broadcasting Network. In fact, both for Trinity Broadcasting Network and NMTV, his role was that of a management-level employee. The fact that it was deemed necessary to disguise Ben Miller's role with the fictitious title of "consultant" demonstrates that Trinity Broadcasting Network was well aware that his role at NMTV was inconsistent with any claim that NMTV was a bona fide independent entity.

17. Role of Norman Juggert

a. The Claimed Role of Norman Juggert in NMTV

291. Norman Juggert was Trinity Broadcasting Network's principal legal advisor in non-FCC matters. Tr. 3648. He was also the only non-Crouch family director of Trinity Broadcasting Network subsequent to Jane Duff's resignation. In his direct testimony, Norman Juggert claimed to have provided legal services to NMTV only in four areas.

292. The first area of admitted involvement in NMTV business involved preparing the initial corporate papers and tax exemption applications for NMTV. He was paid by Trinity Broadcasting Network for these services. TBF Exhibit No. 108, para. 5.

293. The second area of admitted involvement in NMTV business involved preparing corporate minutes based on his

attendance at NMTV meetings or by editing a draft of minutes prepared by Jane Duff. TBF Exhibit No. 108, para. 5; Tr. 3718-31, 3738. According to his direct testimony, he functioned merely as a scrivener at "most" NMTV meetings and did not participate except in infrequent occasions when his advice on a legal matter was sought. Since he viewed his presence as non-participatory, he generally did not reflect his presence in the minutes. He was not paid for keeping minutes. TBF Exhibit No. 108, para. 5-6.

294. The third area of admitted involvement in NMTV business involved preparing written actions in lieu of meetings and the amendment to the articles of incorporation changing the name from Translator T.V., Inc. to NMTV. He was not paid for these services. TBF Exhibit No. 108, para. 7-8.

295. The fourth area of admitted involvement in NMTV business involved advising NMTV concerning a lease problem in South Carolina in September 1992. His time for this matter was billed to Trinity Broadcasting Network, which he characterized as an error. TBF Exhibit No. 108, para. 7.

296. In his cross-examination, Norman Juggert cited as the only legal services he has provided to NMTV his handling of the initial incorporation and request for tax exemption; the name change; and the lease matter. Tr. 3658-59.