

JUDGE STEVEN S. WEISMAN

THE SUPERIOR COURT
(RETIRED)

SUITE 955 WEST TOWER
9100 WILSHIRE BOULEVARD
BEVERLY HILLS, CALIFORNIA 90212
TELEPHONE (213) 274-8902

January 18, 1979

VIA AIR EXPRESS

Mr. Herbert W. Armstrong
7845 Calle de la Escarpa
Tucson, Arizona 85715

Dear Mr. Armstrong:

Apparently there has been some confusion and misunderstanding about the purpose of the Los Angeles Superior Court proceedings in the Order appointing me as a Receiver. Please let me assure you that it is not the purpose of the Court Order, nor my purpose as Receiver, to interfere in any way with the ecclesiastical functions of the Church. As you will note in the language used by the Judge, the receivership is concerned exclusively with the financial and business affairs of the Church. The ecclesiastical affairs of the Church will continue to be controlled and directed by the Church's duly authorized ecclesiastical authorities. There have been allegations of misfeasance and neglect concerning the financial and business affairs of the Church, and it is my duty as a Receiver, as authorized by the Court, to conduct an audit of the financial and business dealings of the Church.

You will note that the Court was careful to notify all concerned that if there is any misunderstanding or dispute between the Receiver and ecclesiastical authorities as to whether or not a particular matter is in fact ecclesiastical in nature, the Court has provided procedure for resolution of any such misunderstanding or dispute by the Court.

I am writing this letter hoping that whatever problems there may be, may be resolved in a spirit of cooperation for all concerned. If it is not possible for you, for any reason, to come to Los Angeles, I would be glad to meet with you at your headquarters and/or home in Tucson, subject to our mutual convenience. So there will be no misunderstanding with respect to the Court's Order and comments, I have enclosed a copy of pages 392 to 413 of the transcript of the Court proceeding.

Very truly yours,



Judge Steven S. Weisman
Receiver
SSW/kej
Enclosures
cc: See attached sheet

cc: Lawrence R. Tapper, Deputy Attorney General of
the State of California
Hillel Chodos, Esq.
Cohn and Lifland
Allan Browne, Esq. of Ervin, Cohen and Jessup
All Ministers of the Worldwide Church of God

1 Now the court is fully aware of the potential
2 damage which has been argued very ably by Mr. Browne, the
3 damage which might accrue to the church if the operations were
4 brought to a halt or seriously interrupted by the appointment
5 of a receiver and by injunctive means. And, of course, I
6 have to do the best I can to balance this threat against
7 what the plaintiff contends will be irreparable damage if
8 this situation is permitted to continue.

9 I do note in that regard that while I think it is
10 perfectly clear that there was some immediate and serious
11 damage to the church when the receiver was first appointed,
12 it seems to have geared up again. The computers are now
13 operating again, and as I understand it, the operation is
14 now presently back and it is operating -- maybe not as
15 efficiently as before because of the confusion caused by the
16 receivership -- but nevertheless it is operating.

17 Now, bearing all of these considerations in mind,
18 and bearing in mind the history of what has occurred since
19 the receiver was appointed, I am going to make the following
20 orders in the matter:

21 Firstly, all prior orders regarding the appointment
22 of the receiver and any restraining orders are vacated and
23 dissolved.

24 Secondly, Judge Steven S. Weisman -- under the
25 assumption that he accepts the appointment -- is appointed as
26 receiver pendente lite in the matter of the three corporate
27 defendants to carry out the duties which will be specified
28 in this order.

1 The three corporations -- rather than name them
2 each individually as we deal with this problem -- will be just
3 referred to by me as the church, generally.

4 Now, the receiver is to take possession and control
5 of the church, including all of its assets, both real and
6 personal, tangible and intangible, of every kind and
7 description, except as I otherwise provide in the order.

8 Now, in spite of this order of possession, it is
9 the further order of the court that all the authorized employees
10 of the church shall be permitted to continue to carry out
11 their duties and to continue all activities and operations
12 of the church.

13 The receiver nevertheless shall have the right and
14 power to supervise and monitor all of the business and
15 financial operations and activities of the church; however,
16 he shall not interfere therein, unless he determines in his
17 sound discretion that such interference is necessary to avoid
18 damage or loss to the church of any kind.

19 Now if he so determines, he shall then have the
20 right to take over the management and control to the extent
21 that he deems it necessary in his sole discretion.

22 Now the receiver is also empowered to hire and employ
23 and retain his own counsel, accountants and any other personnel
24 employees which he deems necessary to assist him in the
25 discharge of his duties under this order.

26 He is authorized to pay to them reasonable compen-
27 sation out of the funds and assets of the church, subject to
28 the supervision of this court as it is needed and as hereafter

1 provided.

2 Also except as otherwise provided in the order,
3 with reference to Messrs. Armstrong and Rader, the receiver
4 is authorized to suspend or terminate any employee, officer
5 or agent of the church in his sole discretion as he deems
6 necessary. That will be subject, however, to any contractual
7 employment rights which the suspended or terminated employee
8 or party may have.

9 And he shall also have the right to direct that
10 any such officer or employee or agent not be permitted access
11 to the grounds or facilities of the church from and after
12 the date of that termination or suspension.

13 Now it is not the purpose of this court nor the
14 intention of this court to allow the receiver to interfere
15 in any way with ecclesiastical functions of the church, as
16 distinguished from the college or the foundation, and the
17 receiver is ordered not to do so.
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1 This receivership will concern itself exclusively
2 with the financial and business affairs of the church.
3 The ecclesiastical affairs of the church will continue
4 to be controlled and directed by its duly authorized
5 ecclesiastical authorities, notwithstanding the authority
6 of the receiver to terminate or suspend persons from
7 employment as already ordered.

8 Such termination or suspension from employment
9 shall in no way affect the membership or standing in
10 the church.

11 Now, in the event that any dispute arises
12 between the receiver and the ecclesiastical authorities
13 of the church over whether or not a particular matter
14 is, in fact, ecclesiastical in nature, those authorities
15 are authorized to employ counsel to apply to this court
16 for a resolution of that dispute, and that dispute will
17 be resolved by the court.

18 Any such counsel so employed may thereafter
19 apply for reasonable compensation from the church funds
20 to the court, and the court will make an order for reasonable
21 attorney's fees, if they are justified under the circumstances.

22 Now regarding the books and records. The
23 receiver shall have possession and control of all the
24 books and records of the church, but those books and
25 records shall be made available for the use of the employees
26 of the church in the carrying out of all their duties.

27 Those books and records shall also be made
28 available to the representatives of the plaintiffs,

1 for use in preparing for the trial in this action.

2 I have already indicated, I believe, that
3 while the receiver only has the right to supervise and
4 monitor the business and financial operations, and shall
5 not interfere unless he deems it necessary, that he shall
6 have the right to interfere if he does determine in his
7 own discretion that it is necessary to interfere. And
8 to that extent he will have the right and it is so ordered
9 that he has the right to take over any portion of that
10 operation he deems necessary in order to protect the
11 church and its assets.

12 Now Messrs. Armstrong and Rader will be permitted
13 to continue in their prior functions as representatives
14 and authorities of the church, unless and until they
15 are, either of them, removed by proper action of the church,
16 pursuant to the laws and the articles and bylaws of the
17 church, or unless they are removed by further order of
18 the court pursuant to an application on the part of the
19 receiver.

20 Now if the receiver deems it necessary at
21 any time hereafter pending the trial to move the court
22 to remove either Mr. Armstrong or Mr. Rader or both,
23 the receiver may file a petition with the court on notice
24 to the defendants, and the court will hear the matter
25 and make a determination on that issue.

26 However, subject to their rights under the
27 existing employment contracts which they have -- that
28 is which Messrs. Armstrong and Rader have -- to the

1 extent that those rights may be hereafter determined
2 by the court, their compensation for services and any
3 expenses that are incurred by them during the course
4 of that employment, shall only be in such amounts as
5 may be determined by the receiver in his discretion from
6 time to time.

7 The receiver is authorized to conduct a thorough
8 audit of the financial and business dealings of the church,
9 and to commence that audit forthwith. And he shall have
10 the right to compensate his professional assistants in
11 regard to that audit out of the church treasury, and
12 it shall all be subject to supervision of the court as
13 hereinafter provided.

14 The receiver is also to review all allegations
15 of malfeasance and neglect concerning the financial and
16 business affairs of the church, and to apply to the court
17 where appropriate for leave on behalf of the church for
18 any relief which may be necessary.

19 Now anything that I have said to the contrary,
20 it shall not be necessary initially for the receiver
21 to take possession of, nor to deposit in any special
22 receiver's account, the funds of the church now or hereafter
23 received by the church; but the receiver shall supervise
24 the deposits and disbursements of the funds by the church
25 in accordance with this order.

26 The funds of the church shall continue to
27 be handled by its employees in the same manner and with
28 the same bookkeeping, accounting and disbursement procedures

1 as were in effect at the time of the commencement of
2 the ex parte receivership, subject to the supervision
3 of the receiver. But in any event, the receiver in his
4 discretion shall have the right at any time by notification
5 to the court and the defendants to take possession and
6 control of the funds of the church forthwith, and deposit
7 them in a special receiver's account, if he deems it
8 necessary. That will be something completely in the
9 discretion of the receiver.

10 Now, until there has been a final disposition
11 of this matter by trial and an order of the trial court,
12 the defendants and each of them and all of their agents,
13 employees and all persons acting in concert with them
14 are hereby enjoined and restrained from interfering with
15 or obstructing the receiver in the discharge of his duties,
16 or from withholding from him any of the assets, properties,
17 books, or records of the church; and they are further
18 enjoined and restrained from selling, mortgaging, encumbering,
19 or otherwise disposing of any of the assets of the church
20 or its associated corporations.

21 Notwithstanding this injunction that I have
22 just referred to, however, based upon the appraisal of
23 the Big Sandy campus of Ambassador College at Big Sandy,
24 Texas, as set forth in the declaration of Michael Wierwille
25 of Valuation Research Corporation, of the sale of said
26 real property for the sum of \$10.6 million as provided
27 for in the pending escrow covering that sale shall be
28 permitted to go forward to a conclusion of said sale.

1 Now it is the purpose and intention of the
2 court under this order to secure the full cooperation
3 of the church authorities and the employees with the
4 receiver, and of the receiver with such authorities and
5 employees to the end that the affairs of the church shall
6 only be minimally interfered with until this action can
7 be tried.

8 Now all the authorities and employees of
9 the church are ordered to use reasonable efforts to extend
10 that cooperation to the receiver.
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1 The last thing -- I think I already referred to it --
2 in connection with the priority of this matter on the
3 trial calendar, I referred to that, did I not?

4 All right, gentlemen, I am going to order counsel
5 for the plaintiff to prepare an order in connection with my
6 comments, and a copy to opposing counsel.

7 MR. CHODOS: May I ask a couple of questions, Your Honor.

8 I have heard your order, and I don't mean to argue
9 the matter, but I have three things.

10 First of all in the matter with respect to Big
11 Sandy. I will have to concede that there has been no convincing
12 showing of an evidentiary nature as to the value of Big Sandy
13 versus the sales price.

14 On the other hand, Your Honor, no one other than
15 Mr. Rader and Mr. Helge have inspected those papers, really.

16 THE COURT: Which papers?

17 MR. CHODOS: The Big Sandy transaction -- in other words,
18 it hasn't really been fully presented here.

19 THE COURT: The purchase price is \$10.6 million.

20 MR. CHODOS: All I am suggesting, Your Honor, is that
21 perhaps the court -- it is my understanding that the people
22 are willing to wait a little while. In fact, there is a
23 telegram here for that purpose.

24 THE COURT: You mean the buyers?

25 MR. CHODOS: Yes. All I ask is the receiver be given an
26 opportunity in the next few days just to look at it, and if
27 there is more there than we have been able to get from the
28 outside, to bring it to the court's attention. That is all I

1 am really saying.

2 THE COURT: Is it anything but a cash sale, an unconditional
3 cash sale?

4 MR. BROWNE: I believe it is, Your Honor. The point is
5 we have these documents available for Mr. Chodos. He asked
6 us to bring the Big Sandy file down to the court, and subpoenaed
7 it. And it has been here ever since the beginning.

8 It is subject to a binding contract of sale. The
9 escrows have closed.

10 THE COURT: I will do this, gentlemen, but nothing further.

11 I will give -- assuming that the documents are all
12 available at this time -- Are they, Mr. Browne?

13 MR. BROWNE: I don't know if we have them in this court
14 this instant. We had them yesterday.

15 THE COURT: Well, all right. I think the receiver --
16 How much time would you need to take a look at those documents,
17 Judge Weisman, to make certain there is no problem?

18 I am just making the assumption, frankly -- and
19 perhaps I was wrong in that regard -- this is a cash transaction
20 with no conditions attached, and when the escrow closes,
21 \$10.6 million is to be handed to the sellers, less any possible
22 escrow --

23 MR. CHODOS: Mr. Helge's telegram of January 5 says to
24 Mr. Turner, who is the lawyer for the buyers, attached to his
25 declaration, he says, "We ask that interest at the rate of
26 10 percent per annum on the balance of the purchase price of
27 10 percent -- on the balance of purchase price of \$10,100,000
28 shall be paid directly to Worldwide Church of God; said

1 interest shall be payable on biweekly installments, accruing
2 from January 4, 1979, and payable until the close of escrow."

3 And I believe it is continuing to February 27.
4 If the receiver could have a few days just to examine that.

5 THE COURT: Judge, how much time --

6 MR. CLEMENS: May it please the court, I am Michael
7 Clemens, the attorney for the receiver.

8 I believe it would it be quite unreasonable, Your
9 Honor, for you to put an onus on Judge Weisman, the receiver
10 in this matter, to allow him three days to -- Oh, I assume
11 that what Your Honor and what Mr. Chodos is trying to get at
12 is whether or not this is a fair sale, and I don't believe
13 it is possible to determine that, Your Honor.

14 THE COURT: I don't know why not. All you have to do is
15 read the instructions.

16 What is so difficult about that, counsel?

17 MR. CLEMENS: Except --

18 THE COURT: You can read them in three days.

19 MR. CLEMENS: We can read them in three days, Your Honor,
20 but none of the people whose documents are in there have been
21 retained by Judge Weisman for the specific purpose of making
22 an appraisal of the property.

23 THE COURT: I don't think it has to be appraised again.
24 This is an appraisal that was filed from a very reputable
25 appraisal concern, and I am not even suggesting that you go
26 to the expense of another appraisal.
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1 MR. CLEMENS: If it is just for Judge Weisman to
2 determine what is in the documents, and to see that the
3 appraisal states what it is supposed to represent, there
4 is no problem of that, sir.

5 THE COURT: I will do this. Since it doesn't close
6 until February --

7 MR. CHODOS: February 27.

8 THE COURT: All right. In that case, there is
9 no urgency. I am going to give the receiver ten days
10 within which to examine the documents and the transaction,
11 and unless he files a motion with the court within that
12 ten-day period opposing the sale because of some basis
13 that I don't know about at this time, I will assume the
14 sale will go forward.

15 Is that satisfactory?

16 MR. CLEMENS: There is one further thing, Your
17 Honor, on the powers of the receiver, as long as I am
18 standing. When we talk about the receiver having control
19 and monitoring and supervision of the finances, is there
20 any procedure that we can have right now, guidelines,
21 Your Honor, insofar as check writing to a certain amount,
22 that if the check is about \$500 or \$1,000, that the receiver
23 must affix his initials thereon.

24 THE COURT: No. I think I am going to permit the
25 church to operate on its own. The receiver does have
26 the right to monitor, and to the extent he needs personnel
27 to do that, why he should employ them. And if there
28 is any question about any of those transactions, he can

1 question them and he can stop any expenditures under
2 my order until it is resolved.

3 Is there something else you wanted to add,
4 Mr. Browne?

5 MR. BROWNE: I have three questions, when the court
6 is available.

7 THE COURT: Yes, sir.

8 MR. BROWNE: Your Honor, a clarification. You
9 said that possession, control of books and records are
10 with the receiver, and indicated that the plaintiffs'
11 representatives are to have access to those materials,
12 as I recall.

13 THE COURT: That is correct.

14 MR. BROWNE: Now, Your Honor, I am faced with a
15 practical difficulty in that order, in the sense that
16 this was precisely the problem we had when the receiver
17 first came into office.

18 It seems to me that we -- my client should
19 be given an opportunity to object to the use of any documents
20 based upon constitutional privileges.

21 THE COURT: What privileges?

22 MR. BROWNE: Well, let's assume that an attorney
23 wrote a letter, confidential letter, an attorney-client
24 letter to the church or to one of the employees, or that
25 some of the records that were taken, Your Honor, may
26 pertain to this. They were taken from the desks, filing
27 cabinets. There may be personal letters from Mr. Rader
28 to a relative.

1 Now is that something that is the subject
2 of --

3 THE COURT: I can't rule on all those matters,
4 can I, counsel?

5 MR. BROWNE: Here is what I am asking for, Your
6 Honor.

7 THE COURT: Yes, sir.

8 MR. BROWNE: I am asking for an order that before
9 access is granted, that the normal rules of discovery
10 apply.

11 THE COURT: I am not getting into any discovery
12 rules in this matter, Mr. Browne. We will start all
13 over again if you attempt to assert that kind of a right.

14 MR. BROWNE: What I am suggesting, Your Honor,
15 is this: That if the Attorney General wishes to inspect
16 all books and records of the corporation, as a category,
17 it seems to me that a subpoena re deposition to the receiver --

18 THE COURT: I am not going into any proceedings
19 with subpoenas. He has the right to inspect those records.

20 Now as to any particular record which you
21 feel he shouldn't inspect, you can consult with the Attorney
22 General, you take it up with him and see if you can't
23 resolve it. If you can't, you come in on a motion and
24 I will resolve it.

25 I will not get into discovery now between
26 the receiver and the church. That would be completely
27 preposterous as far as I am concerned.
28

1 MR. BROWNE: May I suggest a problem. On Monday
2 morning, the Attorney General comes in and says, "We want
3 to look at that filing cabinet over there." Now, I haven't
4 looked at the filing cabinet myself. I don't know what
5 is in there.

6 How can I assert any objection if I don't
7 know what is in there?

8 THE COURT: If I give you the right to go through
9 all the records before they go through them, this will
10 grind to a halt, and I will not do it, Mr. Browne.

11 MR. BROWNE: So the Attorney General need only
12 ask the receiver to open up whatever he has?

13 THE COURT: The same as you can do; you have the
14 same rights.

15 MR. BROWNE: Well --

16 THE COURT: You are counsel for the church, presumably,
17 and you are counsel for the other defendants. You have
18 the same rights to the documents as the Attorney General
19 does.

20 MR. BROWNE: That was not covered, Your Honor,
21 I think in your order. That is what troubled me. You
22 mentioned the plaintiffs' representatives had access
23 to those documents, but there was no mention in that --

24 THE COURT: That is not correct. I said the defendants
25 will have the full use of the documents, the church,
26 which includes the defendants; does it not?

27 MR. BROWNE: That does, Your Honor.

28 THE COURT: All right. They have full access

1 to the use of the records.

2 Do you have some comments you wish to make,
3 Judge Weisman?

4 JUDGE WEISMAN: Yes, I would like to make a statement,
5 if I can.

6 I am willing to live with that order, and
7 I am willing to cooperate with Mr. Rader, and I hope
8 it is a two-way street.

9 However, I would like some clarification
10 as to what happens if I tell Mr. Rader I don't think
11 this action ought to be taken, and I am going to apply
12 to the court --

13 THE COURT: I don't think you have to apply to
14 the court in every instance now. I have given you full
15 discretion.

16 JUDGE WEISMAN: All right.

17 THE COURT: What I have done essentially here --
18 as I would summarize it, Judge -- is to provide that
19 the management of the day-to-day affairs of the church
20 are to be conducted by their employees, subject to your
21 monitoring and your supervision.

22 If you determine something is out of order,
23 out of line, you are entitled to take over on that, and
24 it is your decision which you will control.

25 JUDGE WEISMAN: The burden is on the other side
26 to come into court?

27 THE COURT: As far as I am concerned, I am leaving
28 it up to you. I am inviting no one to come into court

1 with respect to those issues.

2 MR. CHODOS: Is that true that the Judge has discretion
3 also if Mr. Rader --

4 THE COURT: You mean Judge Weisman?

5 MR. CHODOS: That Judge Weisman has discretion
6 if he feels that Mr. Rader is not conducting himself
7 properly to suspend him from his duties, as opposed to
8 his pay, and have Mr. Rader come into the court to talk
9 about it?

10 THE COURT: That is one instance which I indicated
11 that if there is a desire to suspend Mr. Rader or Mr. Armstrong,
12 that is the one matter which they may make a motion with
13 the court.

14 MR. CHODOS: What happens in the interim?

15 THE COURT: I don't know what happens in the interim.
16 You get in here in a hurry.

17 MR. CHODOS: Very well.

18 THE COURT: I don't think anything can be that
19 crucial that you couldn't get into court. Come down
20 informally and discuss it with me if you have to, with
21 notice to other counsel.

22 Yes, sir?

23 MR. BROWNE: Your Honor, two other points. I mentioned
24 I had three.

25 Would the court be willing to make an order
26 to preserve the confidentiality of whatever records are
27 in the possession of the receiver?

28 I think during this investigatory period,

1 it is extremely important, for example, that the records
2 remain in the possession of the receiver, and that if
3 the Attorney General wishes to review them, that the
4 Attorney General or its representatives be permitted
5 to do so; but that, for example -- and also the parties
6 themselves -- the relators, for example, that they not
7 be given access to those documents, because those particular
8 people -- and I think the record is clear on this, at
9 least there is conflict on it and I think an inference
10 can be drawn -- do not have the best interests of the
11 church at heart insofar as the ecclesiastical nature
12 of it is concerned.

13 THE COURT: They would argue with you on that,
14 wouldn't they?

15 MR. BROWNE: They might. But, Your Honor, we are
16 talking about a very delicate subject here, and, you
17 know, we are talking about --

18 MR. CHODOS: I can save counsel the trouble. My
19 relators, Your Honor, have completed their function.
20 For all practical purposes, they are no longer in this
21 case. I don't go over the documents with them. This
22 is a matter for the Attorney General. They are not parties
23 to this lawsuit, and the Attorney General has no interest
24 in religious factions, and neither do I.
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1 THE COURT: Do you wish to be heard?

2 MR. TAPPER: Yes, please. We are not talking about
3 religious documents; we are talking about financial records.
4 I have had some experience in how to conduct an investigation.

5 There is no way that we can conduct a proper
6 investigation if we were to be given access to a record but
7 we can't check the record by talking to somebody to see if
8 the transaction occurred the way the record claims the
9 transaction occurred.

10 I do not wish to see us crippled in the way
11 Mr. Browne is suggesting.

12 THE COURT: I don't know what Mr. Browne has in mind,
13 to be honest with you.

14 MR. TAPPER: He is saying he doesn't want us to show
15 these records to anybody, and particularly to the relators,
16 Your Honor.

17 THE COURT: I don't think it would be inappropriate to
18 make an order to the effect you may show it to anyone who has
19 a reasonable interest in it, who has a right to be concerned,
20 and not to any strangers to the transaction.

21 MR. TAPPER: Your Honor, we certainly conduct our
22 investigations with discretion.

23 THE COURT: I think you are raising an issue which is not
24 an issue, Mr. Browne.

25 You have the cooperation of the Attorney General
26 in that regard. They are not going to disclose these documents
27 to anyone unless it is someone who has a reasonable interest
28 in the documents and is connected in some way with the

1 transaction.

2 MR. BROWNE: Could we have an order along the lines if
3 they are going to disclose those documents to anyone outside
4 of the Attorney General staff people working for them --

5 THE COURT: No, sir, I won't get into that.

6 MR. BROWNE: May I finish?

7 THE COURT: I know what you have in mind. I am not getting
8 into that.

9 MR. BROWNE: I would like some notice, Your Honor, give
10 us five days notice that they are going to have those records
11 shown to these people.

12 THE COURT: I don't think it is necessary, Mr. Browne,
13 and it is unduly hampering and creating more paperwork. This
14 is going to be a mountain of paper as it is. We already have
15 so many lawyers involved here that it is really unbelievable.
16 I am not going to get into any more legal activity than is
17 required.

18 I don't think that is reasonably necessary. Your
19 motion is denied.

20 Mr. Browne has one more matter.

21 MR. BROWNE: Your Honor, I would like to request a stay
22 order for a reasonable period of time for us to get the
23 transcript and take appropriate relief up to the State court
24 of appeal also to the federal court.

25 THE COURT: That is denied, counsel. This has to be moved
26 along.

27 I don't know how much time you have in mind.

28 MR. BROWNE: If I could get the transcript tomorrow, a

1 stay order until Tuesday would be fine. I am ready to work
2 as much as necessary to get this thing heard.

3 THE COURT: That is denied. We have given this a full --
4 really as full a hearing as possible, under the circumstances.

5 Counsel, I have made my ruling. I think they are
6 entitled to go ahead to protect what I believe should be
7 protected here.

8 You take whatever remedies you may deem necessary
9 at this time. You have all your remedies.

10 MR. BROWNE: Could we ask about how long it would take
11 to get the reporters' transcript of it?

12 THE COURT: Address that question to the reporter.

13 MR. BROWNE: Is there a way to expedite it? We would
14 like to be in the federal court and state court on Monday
15 morning, Your Honor.

16 THE COURT: You make your arrangements with the reporter.
17 I think you might be able to make some arrangements. Talk
18 to her about it. You may be able to get it expedited. Have
19 somebody work on the weekend. Whatever, take it up with her.

20 MR. CLEMENS: One final clarification regarding the
21 receivership. He does have the checking account now in the
22 receivership's name as trust account, and in the amount of
23 \$50,000.

24 What is the disposition of that, according to Your
25 Honor's order?

26 THE COURT: Didn't I already make an order in that regard?
27 If it is not clear, I will make an order then.

28 That is to continue in the same way, and you may

1 use that account for whatever purpose you may deem necessary.
2 Replenish it as reasonably as is necessary to carry out your
3 duties.

4 Anything further, gentlemen? Very well.

5 (At 3:30 p.m. the proceedings were concluded.)

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