do some detective work and look at the different inconsistencies and questionable activities that had occurred to date, and so I generally visited banks to see what was going on.

So I randomly went to Chase Bank, presented our federal tax ID number and asked, "Do you have any accounts opened under this federal tax ID number?" And I was told there was an account. So that's how I discovered the account.

So that was in Palo Alto, California. They actually recognized there was some foul play here if I didn't know about this situation. Here I was the director and CEO. So they sent me to the Redwood City branch for Chase, and at that branch I presented the information which established my credentials with the corporation, showing our statement of information and so forth.

So the branch manager said that what they had done constituted an act of identity theft and contract fraud. They had presented themselves as being directors and officers of the corporation, when in actuality they were not, and began to initiate financial transactions on that basis.

They froze the account. The branch manager and Chase decided on their own to freeze the account and

initiate an investigation pursuant to a charge of identity theft, and they encouraged me strongly to file a report with the police department.

And so I did that, expressed concerns to the Menlo Park Police Department after that.

- Q. Okay. And how did it transpire from there?

 How did the situation transpire? Where or what was the reaction from Mr. Brede and Showers in relationship to you discovering the bank account and going down freezing the account? What was their reaction?
- A. Well, I knew that they would become aware what was taking place when Chase decided to freeze that particular account.

I also went to Wells Fargo where our corporation did have established checking and savings accounts to review the activity there, and generally upon a meeting of the actual board of directors made a decision to remove them from the accounts at Wells Fargo and to designate myself as a signer for those accounts, primarily with a view towards viewing the activity, seeing what was taking place, getting things in order.

So as that was taking place -- again, this was all in April 2011, around the second week of April, as all of this was taking place.

I took the initiative to communicate with

Ernest Brede. I sent him an email -- I believe it was on April 15th, 2011, a Friday, that I did that, telling him what was going on, telling him that I discovered the account with Chase, and that I was in the process of transferring authority for the accounts with Wells Fargo.

And so his response was, "Well, you and the other individuals were removed as elders," which is to say the previous body of elders serving in the Menlo Park congregation had been removed from those positions of spiritual oversight, and so he used that action as a basis to assert that we had automatically been removed from our legal positions as directors and officers of the corporation, which is incorrect.

In fact, he asserted that we had been removed from our legally held positions in the corporation directly by the governing body of Jehovah's Witnesses, which is not true and doesn't really make sense from a legal standpoint, because the governing body of Jehovah's Witnesses exercises no authority for the State of California.

And so in the State of California, members of the board of directors or the officers are to be removed at any time and for any reason by the members. And so the governing body of Jehovah's Witnesses are many

things and have many points of responsibility that we fully respect, but from a legal standpoint, they are not members of the Menlo Park Corporation, they don't attend the activities there. They're not members. They're not -- they don't reside there. They're in New York, we're in California.

So, no, the governing body of Jehovah's Witnesses had not removed us from our positions of -- within the corporation, and they would be the first to say that.

But yet that was what he was endeavoring to say or assert in order to legitimize their actions. So kind of a blending of a point of religious conviction and aspects of corporate law, sort of creating this amalgam of a view to justify what they were doing, when in actuality they were conflicting in a sense both sets of parameters.

- Q. Now what did Mr. Brede do from that point?
- A. Well, he sent me his response, and after that exchange by email, which is on Friday, April 15th, the following Monday -- yeah. I'm looking at my calendar here. Friday, April 15th, 2011.

The following Monday, April 18th, 2011, Ernest Brede and Luis Contreras file a new or record a new deed for the property at 811 Bay Road, and they essentially

put the property in the name of the corporation in a sense. They had a meeting, called another special meeting, which they had no legal basis for, on December 30th, 2010, and at that special meeting of the corporation, they proposed changing of the corporate name.

And so it no longer was the Menlo Park

Congregation of Jehovah's Witnesses, Incorporated, but

it became English Congregation of Jehovah's Witnesses,

Menlo Park, California, Incorporated. So it was a

variation.

So they recorded that name on the deed, and then they put their own names on the deed as president and CEO. So now it says president Ernest Brede, CEO -- no, I'm sorry. CEO/president Ernest Brede and secretary Luis Contreras.

So upon conferring with a lawyer -- and he viewed that as an action that was fraudulent. Number one, that they were not the board of directors. They did not constitute the board of directors for the actual Menlo Park Congregation of Jehovah's Witnesses, Incorporated. They were not actually officers of that corporation.

So they had no basis to call a special meeting of the shareholders, much less to initiate discussions

of changing the name of the corporation and then going out executing the transference of the deed.

- Q. Now when Mr. Brede gave you the response about -- after you contacted him, did he respond over the telephone, or did he send you an email, or what was --
- A. Well, his response was April 15th, and there weren't any further communications that I received from him. I think there were times thereafter that I sent him follow-up communications, maybe on one or two occasions, but he didn't reply to that via email.

There were instances when I endeavored -- I told him I wanted to talk to him to try to address matters, and he was reluctant to do that and generally kind of began to just stay away from me and avoiding me. And I felt it was necessary for us to talk to try and address the matter directly and hopefully quickly so that things could be resolved; he could express himself, what he thought he was doing.

My main concern at that point wasn't winning an argument. My main concern was making sure that the funds were being handled properly and that the members of the corporation were being treated fairly and lawfully.

And I had a concern pursuant to a false

financial report that Ernest Brede reportedly gave during November 2010. He was on stage during a meeting at 811 Bay Road and advised the members that the funds on hand was \$3,500, funds on hand for the building project or the remodeling project for the facility was \$3,500.

And that caused a stir amongst the members, especially the long-time members who had been there for years and years, decades, because they all knew, based on the previous financial reports that had been given, you know, that we had much more than \$3,500 set aside for the building fund. That figure has been anywhere from ten to twenty thousand dollars, in that range, over the years, but nowhere near \$3,500.

So after that meeting was over and after Ernest Brede left the stage, he was approached by a couple of different people, one of them being Bill Douglas, and Brede was asked the question, "What happened to the money? We should have much more than that."

And he said, "Well, I don't know anything about that. You need to talk to those other individuals," and he was referring to the previous body of elders, and myself, Arlen St. Clair, George Stock and Jonathan Cobb. So he was inferring that there's money missing and that the previous group of individuals as named were somehow

responsible for that.

So that just didn't sound right to anybody, and at that point Bill Douglas was very upset about it. He came to my home inquiring as to what had taken place.

And, again, this was in November 2010. He said, "What happened? This is what Ernest Brede is saying. Did you guys take the money? What's going on?"

And I just told him, "No, no one's taken any money. We should definitely have more than \$3,500."

So I did some checking and came up with a past statement that was for March 2010, and that statement, which was with the Wells Fargo account, the operating fund, the original one, that statement showed a balance of just under \$20,000. So that was March 2010, \$20,000. And November of 2010 Ernest Brede is saying we just have \$3,500. So something wasn't right obviously.

So I gave a copy of that statement to Bill
Douglas who went back to Ernest Brede and confronted him
with it. And one point that was interesting that Bill
Douglas made is, when he tried to initiate discussion of
this particular bank account, Ernest Brede said, "What
bank account? I don't know of any other bank account."

However, when Bill Douglas showed Ernest Brede the bank statement that I had given him, then I understand, you know, per Bill Douglas' accounting of things, that Ernest Brede said, "Oh, that account."

And so there never really was a clear answer from Ernest Brede, from Glen Watson who had been an authorized signer on the account from years past. You know, he did the same thing when Bill Douglas approached him and tried to -- you know, "What's the status of the money in the account?"

"What account," was his response, which made no sense, because Glen was aware of those accounts and had his name on them for a long time. So he knew about them.

So anyway that created a mystery. What happened to the money? Where's the money? And it never was getting answered. So it was obvious to me that something wasn't right.

Q. Let me ask you. As far as you know, did
Mr. Brede contact the GB or Patterson to get some
directives on handling this situation with the bank
accounts or the complaint that was filed?

Did they contact you in any way in relation to the action that you took with the bank accounts, or was there any indication that he had direction from the governing body or the Christian Congregation of Jehovah's Witnesses at Patterson?

A. Good question. I have two basic responses to

that question. Number one, there's no question that

Ernest Brede had some direction or at least he presented

documentation with the -- embossed with the logo and -
of the Christian Congregation of Jehovah's Witnesses,

Incorporated, in Patterson, New York. So he would

present letters, and that established his appointment to

religious positions in the congregation.

I have no basis to validate the authenticity of such, but he had letters to -- that substantiated him attending Menlo Park congregation, and everyone else, too, everyone who had been a part of the South Redwood City congregation, which was in decline.

They used to have memberships as high as -- you know, in the hundreds years ago, but in recent years, they were below 50 and by counts of some individuals that had been a part of that congregation before they came to Menlo Park they were down to, you know, 20 people being in attendance at the meetings. So essentially they were dissolved as they were in decline.

So they were encouraged to begin associating with the Menlo Park congregation, with our congregation, to begin attending. And so there were written statements to that effect that Ernest Brede had in his possession and presented.

However, was he directed by the governing body

to assume a position of authority in the corporation? I don't think so. Based on the previous points we already talked about, governing body sets the foremost example of being compliant with law and being compliant with Bible principles, which certainly established the need to be honest and forthright in one's dealings and so forth.

So Ernest Brede would often say rather liberally, as did the other individuals, Don Showers, Luis Contreras, you know, Aaron Lucas and so forth — they all would very liberally say, "The governing body this," "the faithful slave," which is an expression which comes from the scriptures that pertains to a group of anointed ones within the beliefs of Jehovah's Witnesses that are collectively represented by a smaller group called the governing body.

So in making different statements, they would say, the slave has told us this, the slave has told us that, the governing body has provided this direction, the governing body has provided that direction. And you couldn't help but wonder about the reality of those statements in view of what they were doing and in view of their standing.

There are some individuals who have a much higher station in Jehovah's earthly organization that

haven't met the governing body; circuit overseers, district overseers, traveling overseers or traveling managers, if you will, that have never spoken to anyone from the governing body.

So to say that you're a local individual in one congregation in California, and the governing body is telling you this and telling you that is -- comes across as a bit of a stretch.

Obviously there can be a statement as far as receiving direction from our spiritual journals, the Watchtower and the Awake and the scriptures and things of that nature, and that's just general Bible-based directives for everyone.

But in terms of being directed to take a certain action toward the bank, whether it be Chase or Wells Fargo, being directed to give a false financial report to the congregation that appeared to have the intent and tendency to induce further or accelerated contributions, I don't feel that he was told to do that by the governing body.

I don't feel that he was told to perform those actions by the Watchtower Bible and Tract Society of Pennsylvania or the Watchtower Bible and Tract Society of New York or the Christian Congregation of Jehovah's Witnesses, Incorporated, in Patterson. I don't feel

that those entities directed the questionable actions of Ernest Brede and Paul Koehler and these others that appeared to be unified in a particular scheme or effort that does not appear to be upright or lawful.

Q. Okay. Thank you for that answer.

So then based on what you have said, the governing body would not be giving instructions to anyone that would be contrary to law?

- A. No, not -- that would never happen. It has never happened, and it never will happen.
 - Q. Thank you.

Now looking at it, another point I wanted to cover, when Mr. Brede made reference to the governing body as being the entity that removed you as an elder and also as an officer and director of the corporation, is that written anywhere?

A. Not that I have seen. That is not written in anything that I have read from a standpoint of organizational policy, nor was that a statement that was made in any of the communications that were received prior to our removal from positions of spiritual oversight. All the communications dealt with the spiritual aspect of things.

There was not one communication that addressed any resulting circumstance or directive or requirement

for the corporation, for the Menlo Park Corporation.

- Q. All right. Now did Mr. Brede put this in writing himself?
- A. No. I don't feel that I ever saw anything in writing from him. Basically he wrote the email, yeah, and I think that's a good question. I think it's a good point. He put it in writing in the email as an expression of his thought and his view.

And it really came across as him appealing to authority, which is a fallacy, you know, within the study of logic and reason. He wanted to draw upon the influence of the name "governing body" or "faithful slave" in view of the respect that that would invoke within our religion and organization.

But, again, it was his assertion and really his interpretation of what had taken place, and this is where you can see the disconnect. Because if the governing body -- why would they provide a directive to remove individuals illegally from a corporation when they themselves obey the law.

When they withdrew from the corporations, the Watchtower corporations in 2000, they fulfilled each corporate formality to the letter of the law to complete their resignation from those corporations. They respected the law. So I think that's a very profound

statement that establishes their point of view and how it's backed up by their actions.

So what Ernest Brede was doing, more so under the direction of Paul Koehler in concert with Don Showers and Aaron Lucas and so forth, it really comes across to me as a singular, isolated effort. They had a certain idea, they had a certain agenda, they had a certain goal relative to the acquisition of that property, 811 Bay Road, which was legally owned by the corporation, and it was a property that they wanted to use in a certain way.

They had a certain idea of how they wanted it to be used, and when that idea was not embraced by the previous body of elders, then they effected a plan to get them out of the way, to get us out of the way, so that they could put people in place who would do what they wanted toward the end of furthering their plans. And that was one part of it, getting the property was one part of it.

Clearly there was an objective to get bank accounts that were specific to religious nonprofit corporations, because said accounts typically are not scrutinized. And so in talking to the police, they have stated -- and members of the FBI, they have stated, oftentimes bank accounts that relate to a church or some

religious entity or corporation can be a festering ground for criminal activity, money laundering, tax evasion, misappropriation of funds, conversion, things of that nature.

So that's why there's a legitimate basis of concern here in view of their actions to date, in view of some very serious allegations.

- Q. Since you mentioned the police department, isn't it true that they filed a complaint or a case against you with the Menlo Park Police Department?
- A. That is true. I went to the Menlo Park Police
 Department April 2011, maybe the first week of April,
 maybe the second week, somewhere around there. And so I
 opened a case for identity theft, and I opened a case
 citing my concerns of a false financial report, which is
 a violation of corporate law.

The statute would be 6812. If a person gives a false financial report to shareholders that it has a tendency to induce or is intended to induce contributions, it says in the statute 6812 it is a crime.

So that's what he did in November, you know, and there clearly was an intent to generate further contributions, because now there's a real need to contribute, because, instead of having \$20,000, we have

\$3,500.

- Q. According to --
- A. According to what he said, exactly. So would that induce contributions? Absolutely, and it did.

So, yeah, I went to the police to file a range of concerns; false information to banks, you know, all sorts of liberties. And then after I did that, then Ernest Brede and Don Showers also went to the Menlo Park Police Department and filed a report claiming that I had misappropriated funds.

And when I was able to provide copies of the more recent bank records for the Menlo Park police concerning the relevant accounts that I had access to, it disproved their assertion. So when they were presented with the evidence I had provided, which covered parts of 2011 and 2010, then they changed their story and said, "Well, we think that Jason Cobb did something in 2009 or 2008. We're not really sure. We just feel like he did something."

And I had a conversation with Burt Bruttig of the Menlo Park Police Department, and I believe the spelling is B-R-U-T-T-I-G, to my best recollection. He was the actual officer who fielded the report from Ernest Brede and Don Showers, and he was very unclear as to exactly what they were asserting.

He said they felt that you did something relative to the bank accounts, and that you had misappropriated funds or embezzled money or basically had stolen money.

So at that point, that case sort of got rolled into the case I had opened. My case number was 11-973, and it was being handled by Officer Jeff Keegan under the oversight of William A. Dixon, a sergeant. And this also after I had initially spoken with Commander Romero who -- I described what my concerns were, and he said, "Jeff Keegan is our white color crime fraud specialist. He would be happy to work with you." That's how I got in contact with Jeff.

- Q. Did it seem reasonable to you that Mr. Brede and Mr. Showers, upon going down to the police department, got any direction from the Christian Congregation of Jehovah's Witnesses or the GB?
- A. Again, that's just not a matter that the governing body would weigh in on. They focus on spiritual oversight for the organization and focus on our Bible education and preaching work. So they would never call anyone and say, "Go to the local police department and file a report."

What they have said is, if there is a basis of concern regarding a crime, and it's of a serious nature,

then you certainly are at liberty to notify the police.

A very high-level general statement. But would they

ever direct someone to do that, no.

And I don't feel that any of the other corporations associated with Jehovah's Witnesses would provide that specific direction either.

- Q. Okay. So what's the status of that case filed against you as well as the one you filed?
- A. Well, the case that I filed was moving in the early going, and we reached an important point in the investigation. Basically at a certain point, Anthony Smith, the attorney of record for the defendants in your action, either was contacted by the police department or he took the initiative to contact the Menlo Park Police Department. I think it was him that may have reached out.

And basically he was saying there what he has typically said in your action and related court documents, that, you know, they have a corporation, and that it's totally legal, totally valid. Everything has been done properly. He provided all the paperwork that had been accumulated for this new corporation or the corporation under the stewardship of Brede and Contreras and Laverdure.

Interestingly, when the paper was reviewed by

the Menlo Park police as represented by Jeff Keegan,

Jeff Keegan raised the point that they had done banking
in the name of the corporation with Chase on

July 9th, 2010, and they had also done banking in the

name of the corporation on July 12, 2010, with Wells

Fargo.

He said, "Bring me your documentation and proof that you had legal standing in the corporation on July 9th. Bring me any proof that you have that you had legal standing in the corporation on July 12," when they did the banking with Wells Fargo.

So that was the point where my investigation or my case came to a halt. Basically I was told by Jeff Keegan that he gave this ultimatum to Anthony Smith. He specifically said, "Show me whatever you have that gave you legal standing in the corporation for July 2010." And obviously Anthony Smith could not do that because no such thing existed.

And so at that point the communication -- the line of communication with the Menlo Park Police Department really broke down, and I don't totally understand it at this point. I have concerns that there may have been some inappropriate negotiations that occurred or some type of communications or something along the lines of a bribe to discourage them from

moving forward with my case.

Because if they had moved forward with my case, and if it was established that Brede and Contreras and Laverdure had done something wrong legally, then that would have significantly hurt their standing in your Federal case, and Anthony Smith knew that that could not be allowed to happen. And so somehow some way some arrangement was reached where basically Menlo Park stopped pursuing the matter.

And when I pressed them for a status, pressed them for answers, they provided a letter of response to me dated July 5th, 2011, where essentially they provide a recap of events to date, which wasn't really complete or accurate in the complete sense. But they basically said that we're at an impasse. They said they needed the bank records in order to go forward to establish what had or had not taken place, and they needed the bank records from 2008 to the present.

And they did not have that and I didn't have that in every case, because my name had been removed from the original operating fund with Wells Fargo, the one where Brede said it had \$3,500, when in actuality it should have had around \$20,000. My name had been removed.

Q. Without justification?

A. Yeah, and without authorization. And this is something I learned after the fact when I was communicating with the Wells Fargo rep in April 2011.

She said, you know, "Your name has been removed from this account."

And I said, "Who did that?"

And she said, "The three that you have a problem with." And she was referring to Brede and Showers.

Q. Okay. You know, we should probably take -- can we go off the record?

(Recess.)

MR. COBB: Okay. We're ready.

Q. Now let's switch a little bit from our previous discussions where we were talking about the bank documents and also the police report. Let's focus attention on Paul Koehler who was a traveling advisor for the Christian Congregation of Jehovah's Witnesses. And now when did he arrive?

Well, before that, what was some of the circumstances that were occurring in the congregation of Kingdom Hall in reference to the Kingdom Hall before Mr. Koehler arrived on the scene?

A. Well, his predecessor James Hall had begun to discuss the idea, a very high level, just an idea, of --

seemed as if there was an effort to look at our building, our Kingdom Hall, our meeting facility as a resource. How could it be used to address the needs that existed at that time, or how could it be used in some other purpose.

But James Hall mentioned the idea of maybe our congregation leaving, no longer using the building, you know, turning over title and having our congregation merge with another congregation.

So one thing that should be mentioned in that topic is it seems as if there's an effort to refer to Jehovah's Witnesses as a hierarchical organization. I don't know much about that subject matter, but what I have read seems to establish a very firm, rigid view of absolute power and authority from the top down. So I readily think about the catholic church.

My understanding when you talk about church properties and church property disputes, there are two central points, two central questions that have to be clearly understood to determine the proper course of action. Who has ownership is number one, and who has control.

So our congregation had both. Our corporation owned the building outright, free and clear, no mortgage, and our corporation had control in the

relative sense of the property. So any ideas of how that property might be used or any considerations of should it be sold or anything like that essentially had to occur through dialogue with the body of elders and dialogue with the corporate directors and officers.

You had to account for the religious considerations in one sense and at one level, but you always have to account for the legal considerations.

And so as we wanted, in looking at the example of the governing body, Jehovah's Witnesses have a recognition of law and legal procedure.

So to say that James Hall was talking about what should occur is not to say he had the authority to dictate what would occur. He had the authority to initiate discussion of possibilities. But any decision making, that's a whole 'nother matter.

So the Watchtower Bible and Tract Society of Pennsylvania and New York did not own the property at 811 Bay Road. They exercise a spiritual oversight over the principals and members of the congregation, but that is not to say that they have a basis to dictate what would occur with the property.

And I want to be clear on that point, because I don't want that to sound disrespectful. We're not in any way challenging the basis of religious or spiritual

authority of individuals in Jehovah's organization,

Jehovah's Witnesses. What we're talking about is the

reality of lines of responsibility, accountability and

the legal considerations.

So I don't own the Watchtower facilities in Brooklyn Heights. I'm a member of the organization. I don't own the building. My name is not on it. Our corporation does not own that building. That corporation doesn't own the building in Menlo Park. But we are all in the same religious organization. But who owns what becomes an individual consideration, okay?

So with that being said, you know, James Hall had come along prior to Paul Koehler and talked about different ways the building might be used, and the body of elders at that point in time were not really embracing the topic of merging with another congregation, of releasing ownership of the property, things of this nature.

So his line of dialogue kind of quickly fizzled, and, you know, he didn't push the issue. And he said we don't -- in fact, he said on a different visit, you know, we don't really need to pursue that or discuss that any more. We're just going to go in a different direction. So it was kind of a dead issue.

After that, right before James Hall visited us