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10 Attorneys for Plaintiffs

11 **IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA**
12 **FOR THE COUNTY ORANGE**

13 JANETTE MANDERSON, in her individual,)
14 capacity, and in her capacity as: the attorney-in-)
15 fact for CATHERYN SMITH a.k.a. KAY)
16 SMITH; The Trustee of THE CHUCK SMITH)
17 1990 FAMILY TRUST; and the personal)
18 representative of the ESTATE OF CHARLES W.)
19 SMITH; and THE WORD FOR TODAY, INC., a)
20 California non-profit religious corporation,)

21 Plaintiffs,

22 vs.

23 CALVARY CHAPEL COSTA MESA, a)
24 California non-profit religious corporation; and)
25 CALVARY CHAPEL COSTA MESA in and)
26 through its Officers and Directors individually;)
27 BRIAN BRODERSON, President and Chairman)
28 of the Board; MICHAEL MUGOVERO,)
Secretary and Director; Roger Wing, Assistant)
Secretary; DAVID EASON, Director; JOE)
DYER, Director; DOUG FINLAYSON, Director;)
PHIL TWENTE, Director; BOB WOLF,)
Director; CALVARY CHAPEL COSTA MESA)
d/b/a The Word for Today; and DOES 1 through)
50 inclusive,)

Defendants.

ELECTRONICALLY FILED
Superior Court of California,
County of Orange
03/26/2015 at 03:26:00 PM
Clerk of the Superior Court
By Maria Gina Barr, Deputy Clerk

CASE NO: 30-2014-00747427-CU-PT-CJC
(Assigned to Hon. Kirk H. Nakamura)

FIRST AMENDED COMPLAINT
[FILED PRIOR TO ANSWER] FOR:

1. Constructive Trust
2. Fraud
3. Accounting
4. Unfair Business Practices
5. Conversion
6. Breach of Fiduciary Duty
7. Elder Abuse (Financial)
8. Constructive Trust (Kay Smith)
9. Injunctive Relief

Complaint Filed: September 26, 2014
Trial Date: None Set

The plaintiffs in the above entitled matter hereby allege:

PARTIES AND GENERAL ALLEGATIONS

1. Plaintiff Janette Manderson ("Ms. Manderson") is was at all relevant times a resident of the County of San Diego, State of California. Ms. Manderson is the oldest daughter of Catherine "Kay" Smith and Ms. Smith's late husband, Pastor Charles W. Smith ("Pastor Chuck"). She is the duly appointed personal representative of the estate of Pastor Chuck. Ms. Manderson seeks appointment as Kay Smith's guardian ad litem for the reasons set forth hereinafter.

2. Plaintiff Catherine "Kay" Smith ("Kay Smith") is a resident of the County of Orange, State of California. Kay Smith has been affected by dementia since 2004. Ms. Manderson, who already holds a power of attorney from Kay Smith, seeks approval as her guardian ad litem in this matter. At all relevant times, Kay Smith was, and is now, an "elder" as that terms is defined in Welfare & Institutions Code §15630.27.

3. Pastor Chuck suffered a stroke on December 27, 2009, and was diagnosed in December of 2011 with lung cancer. He died on October 3, 2013, under the circumstances described hereinafter. Ms. Manderson is the personal representative of his Estate. In her capacity as personal representative of the estate of Pastor Chuck, Ms. Manderson alleges that at the time of Pastor Chuck's death and the wrongful acts alleged hereinafter, he was an "elder" as that term is defined in Welfare & Institutions Code §15630.27, and a resident in the County of Orange, State of California.

4. Plaintiff the Word for Today, Inc. ("TWFT") is now and was at all relevant times a California non-profit religious corporation with its principal place of business in the County of Orange, State of California. Pastor Chuck and his brother Paul Smith founded TWFT in 1978 as an entity intended to carry on Pastor Chuck's life work.

5. Defendant Calvary Chapel Costa Mesa, Inc. ("CCCM"), is now and was at all relevant times a California non-profit religious corporation with its principal place of business in the County of Orange, State of California. Since 2008, CCCM has, pursuant to one or more "d/b/a" filings, done business under the fictitious name "The Word for Today."

6. Plaintiff is informed and believes, and based upon such information and belief alleges, that each of the following individual defendants is a resident of the County of Orange, State of

1 California who served at relevant times as an officer and/or director and/or director of defendant
2 CCCM in connection with the conspiracy and wrongful acts alleged hereinafter:

- 3 a. Defendant, Brian Broderson ("Broderson") is the Chairman of the Board of
4 Directors and the President of CCCM;
- 5 b. Defendant Michael Mugovero ("Mugovero") is the Secretary and a Director of
6 CCCM;
- 7 c. Defendant Roger Wing ("Wing") is the Assistant Secretary of CCCM;
- 8 d. Defendant, David Eason ("Eason") is a Director of CCCM;
- 9 e. Defendant Joe Dyer ("Dyer") is a Director of CCCM;
- 10 f. Defendant Doug Finlayson ("Finlayson") is a Director of CCCM;
- 11 g. Defendant Phil Twente ("Twente") is a Director of CCCM;
- 12 h. Defendant, Bob Wolf ("Wolf") is a Director of CCCM.

13 Defendants Broderson, Mugovero, Wing, Eason, Dyer, Finlayson, Twente and Wolf are from
14 time to time collectively referred to hereinafter as the "CCCM Board").

15 7. The true names, identities or capacities of the defendants sued as DOES 1 through 50,
16 inclusive, are currently unknown to the plaintiffs, who have therefore sued those defendants by
17 such fictitious names. Plaintiffs are informed and believe, and based upon such information and
18 belief allege that each of the fictitiously named defendants is an individual, corporation,
19 religious institution, non profit corporation, partnership, joint venture, association or other form
20 of legal entity that is legally responsible in some manner for the events and happenings referred
21 to herein, that owned and/or operated CCCM and/or that caused the injuries and damages to the
22 plaintiffs as hereinafter alleged.

23 8. Plaintiffs will seek leave of court to amend this complaint to show the true names,
24 identities and/or capacities of the fictitiously named defendants when same have been
25 ascertained.

26 9. Plaintiffs are informed and believe, and based upon such information and belief allege,
27 that in performing the acts and omissions alleged hereinafter, and otherwise at all relevant times,
28 each of the defendants was the agent, servant, employee, partner, joint venturer and/or

1 co-conspirator of each of the remaining defendants. Plaintiffs are further informed and believe
2 and based upon such information and belief allege that in performing the acts and omissions
3 alleged hereinafter, each of the defendants was the agent, servant, or co-conspirator of each of
4 the other defendants, and that such defendant acted as within the course and scope of his, her or
5 its authority, employment or conspiracy, or with the ratification, approval, permission and/or
6 consent of the other defendants.

7 10. The wrongful acts and omissions alleged hereinafter took place and/or caused effect in
8 the County of Orange, State of California.

9 **BACKGROUND**

10 11. Pastor Chuck and Kay Smith were married on or about June 19, 1948, and remained
11 married until Pastor Chuck's death under the circumstances alleged hereinafter on October 3,
12 2013. Pastor Chuck remained devoted to Kay Smith until the day he died, and took measures,
13 described hereinafter, to provide for her financial well being in the event of his death.

14 12. Pastor Chuck devoted his adult life to religious teaching. His devotion, inspiration,
15 abilities and hard work gave rise to a huge following. Prior to becoming the Senior Pastor of
16 CCCM, he had served as a pastor at other churches. Before joining CCCM, Pastor Chuck had
17 his own radio program, and was the author of books and other religious materials. The
18 recordings of his radio broadcasts and sermons, and the books and written materials he
19 generated as part of his ministry prior to Pastor Chuck joining CCCM were all conveyed or
20 licensed by him to an entity called Maranatha Evangelical Association.

21 13. In 1965, Pastor Chuck was hired as the Senior Pastor of CCCM. He remained its Senior
22 Pastor until his death on October 3, 2013.

23 **THE PROPERTY AT ISSUE**

24 14. Over the forty-eight years of his tenure at CCCM, Pastor Chuck produced a massive
25 output of teachings in various forms, including the following.

26 a. He delivered an astounding number of sermons and pastoral messages to the
27 CCCM congregation, at religious conferences and at other events in the United States and
28 around the world. His sermons and messages were contained or reflected in pamphlets, in his

1 outlines and in his notes, some of which were themselves published. His sermons and
2 presentations were recorded, duplicated and distributed in a variety of ways, including broadcast
3 over the internet on radio and/or on television.

4 b. Pastor Chuck wrote books, including but not limited to a study Bible called "The
5 Word For Today Bible."

6 c. Pastor Chuck wrote religious commentaries, and other written and Bible study
7 materials, some of which were published.

8 d. Video recordings and film documentaries were made about Pastor Chuck's life,
9 successful ministries, teachings, travels to the Holy Land, and other religious topics involving
10 Pastor Chuck.

11 15. Beginning in approximately 1978, Pastor Chuck began broadcasting pre-recorded
12 sermons he had authored on a radio program called "The Word For Today." Plaintiffs are
13 informed and believe and based upon such information and belief allege that all of those radio
14 broadcasts were recorded. Edited versions of the master recordings were prepared daily for The
15 Word for Today radio broadcasts. TWFT paid for the editing of those recordings for the radio
16 broadcasts.

17 16. On or about July 28, 1978, Pastor Chuck, along with his brother, incorporated
18 TWFT.

19 17. Having devoted his life to pastoral activities and teaching, Pastor Chuck wanted to make
20 sure that his legacy was preserved for future generations. He chose TWFT as the entity that
21 would safeguard and benefit from his life work. TWFT was therefore established to own,
22 disseminate (including by broadcast) and control the dissemination of all of Pastor Chuck's
23 work output and related intellectual property, including all of Pastor Chuck's written teachings,
24 works, notes, authored materials (including books), sermons, master recordings, edited
25 recordings of sermons, messages, tapes, videos, pamphlets, CD's, donor data bases and other
26 documentary or recorded materials relating to Pastor Chuck's pastoral work and appearances, as
27 well as any related intellectual property and/or copies thereof (collectively referred to as the
28 "Pastor Chuck properties").

1 18. For many years until his death, Pastor Chuck was both the Senior Pastor at
2 CCCM and the head of TWFT. During that time, a relationship of trust and confidence existed
3 between those entities, and between Pastor Chuck and CCCM. As a result of that relationship,
4 CCCM and TWFT worked cooperatively together. The assets of those two entities were often
5 commingled, the entities shared employees, and the two entities operated out of a single shared
6 Santa Ana facility which was owned by CCCM. CCCM occasionally paid royalties for use of
7 the pastoral materials Pastor Chuck developed and for use of recordings of his work.

8 19. Pastor Chuck informed CCCM that he intended for the Pastor Chuck properties
9 to be beneficially owned by TWFT, and for those assets to be owned and controlled by TWFT
10 after his death. Because CCCM valued access to the Pastor Chuck properties for its own benefit,
11 CCCM agreed with Pastor Chuck that in exchange for access during Pastor Chuck's lifetime to
12 the Pastor Chuck properties, (a) all of the rights in the Pastor Chuck properties would be
13 beneficially owned by TWFT regardless of the name in which those items might be held and (b)
14 after Pastor Chuck's death, TWFT would have the exclusive right to control dissemination of
15 Pastor Chuck properties.

16 20. To ensure that TWFT enjoyed full ownership and use of his life work of intellectual
17 property, including recordings, in 1979, Pastor Chuck had Maranatha Evangelical Association
18 transfer to TWFT sole ownership of any and all of the previously recorded sermons, tracks,
19 pamphlets, tapes, books, and other related intellectual property which he generated prior to
20 joining CCCM. At all times, CCCM was aware of that conveyance.

21 21. In confirmation of the agreement between CCCM and Pastor Chuck regarding
22 ownership and control over the Pastor Chuck properties, on or about February 12, 1998, CCCM,
23 acting through its Board of Trustees, executed a written resolution (attached as Exhibit "A"
24 hereto) confirming that all rights to and interest in the written teachings, works, notes, authored
25 materials (including books) generated by Pastor Chuck and the recordings and intellectual
26 property arising out of those items, as well as any other messages, tapes, videos, books,
27 pamphlets, and other documentary literature authored by Pastor Chuck were the property of
28 TWFT. That resolution states in relevant part that "all rights, if any, that the church may have,

1 including but not limited to, pastoral messages, tapes, videos, books, pamphlets and other
2 documentary literature authored or delivered by Pastor Charles W. Smith . . . [and] all
3 exclusive rights to such merchandise, to manufacture, sell and distribute would be placed in
4 THE WORD FOR TODAY, INC." On or about March 19, 1998, CCCM Board of Directors
5 formally ratified and confirmed that resolution in a document (attached as Exhibit "B") executed
6 by (a) Pastor Chuck in his capacity as President/Chairman of CCCM, (b) by TWFT through its
7 Vice President, and (c) by Pastor Chuck in his personal capacity as the originator of the
8 materials transferred to TWFT. The ratification document (a) confirms that CCCM had
9 relinquished all rights in the Pastor Chuck properties "in perpetuity" to TWFT pursuant to an
10 earlier agreement, (b) confirms that CCCM "will have no rights to any monies derived from the
11 manufacture, sale or distribution of" the Pastor Chuck properties, and (c) confirms that CCCM
12 "hereby assigns those rights, if any are held, exclusively to" TWFT.

13 22. By virtue of the foregoing agreements, as reflected in the CCCM resolution and the
14 ratification of that resolution, and by virtue of the trust and confidence existing between CCCM
15 and TWFT, and the trust and confidence existing between CCCM and Pastor Chuck, CCCM
16 came to hold Pastor Chuck property and/or monies derived from Pastor Chuck property in trust
17 for TWFT.

18 23. Kay Smith also created pastoral materials during her long career. Among other things,
19 she authored books, study guides and pamphlets (the "Kay Smith properties"). Kay Smith
20 intended that the Kay Smith properties be beneficially owned and disseminated by TWFT. Kay
21 Smith's sermons were broadcast on the radio, and made available through other media, for the
22 benefit of TWFT.

23 24. The radio broadcasts called "The Word for Today" consisted primarily of edited
24 recordings of sermons, that were part of the Pastor Chuck property and the Kay Smith property.
25 Those broadcasts, the content of those broadcasts and all rights relating to the "The Word for
26 Today" program itself were the property of TWFT.

27 25. The Word for Today radio program has generated revenues that were retained by CCCM
28 and/or a radio station owned by CCCM. The Pastor Chuck property and the Kay Smith property

1 have generated revenues and/or donations which have been retained by CCCM. CCCM
2 benefitted enormously from monies generated by Pastor Chuck property, including sermons
3 broadcast by radio.

4 **THE DEFENDANTS' CONSPIRACY**

5 26. Over time, the defendants saw that the Pastor Chuck property were key drivers behind
6 CCCM's astounding growth. At the same time, the defendants realized that the Pastor Chuck
7 property was beneficially owned by TWFT, that CCCM benefitted from the commingling of
8 assets with TWFT, and that the defendants would lose control over the highly valuable Pastor
9 Chuck Property and its proceeds upon Pastor Chuck's death.

10 27. Over the years, Broderson had openly stated that he wanted to assume control of CCCM
11 in place of Pastor Chuck, that he wanted to become the Senior Pastor of CCCM, and that he
12 would act to accomplish those objectives. In 2008, Broderson, with the support of other
13 individual defendants, attempted to force Pastor Chuck into resigning from the position of
14 Senior Pastor of CCCM. The efforts by Broderson and others to oust Pastor Chuck failed and
15 resulted in CCCM terminating Broderson from all of his CCCM positions. Within a week from
16 Broderson's termination, however, Pastor Chuck was persuaded, because of Broderson's
17 marriage to Pastor Chuck's daughter, to permit Broderson to return to his position at CCCM.
18 Broderson still, however, sought to persuade other individual defendants to undermine Pastor
19 Chuck's role and to take control of Pastor Chuck's valuable legacy.

20 28. The defendants saw that CCCM and/or the individual defendants would benefit from
21 removing Pastor Chuck's oversight and control over the Pastor Chuck property. The defendants
22 hoped to obtain the substantial benefits to be derived from the Pastor Chuck property and the
23 Kay Smith property for themselves.

24 29. With the object of gaining control over the Pastor Chuck property and the Kay Smith
25 property, usurping for themselves the revenues and donations to be derived from the Pastor
26 Chuck property and Kay Smith property, and denying TWFT its ownership rights in that
27 property, the defendants, and each of them, formed a conspiracy some time after 1998 the
28 objects of which were:

- 1 a. To remove Pastor Chuck and Kay Smith from positions of authority at CCCM;
- 2 b. To utilize CCCM and its board to repudiate the resolutions confirming the rights
- 3 to TWFT in the Pastor Chuck property;
- 4 c. To prevent resistance to their conspiracy by enacting measures to consolidate
- 5 their control over the CCCM board so as to perpetuate themselves as board members;
- 6 d. To decrease Kay Smith ability to resist the conspiracy by depriving her of certain
- 7 payments to which she was entitled and by depriving her of the proceeds of a policy of life
- 8 insurance on Pastor Chuck's life or equivalent benefits;
- 9 e. To decrease TWFT's ability to resist the conspiracy by gaining control over the
- 10 Pastor Chuck property during his lifetime and by depriving TWFT of the proceeds of a policy of
- 11 life insurance on Pastor Chuck's life;
- 12 f. To place into the home of Pastor Chuck and Kay Smith a home care worker who
- 13 had agreed to spy on Pastor Chuck, to report her observations to Broderson.
- 14 g. To avoid accounting to TWFT for revenues and donations obtained by the use of
- 15 TWFT assets;
- 16 h. To obtain control over the Pastor Chuck property and the Kay Smith property for
- 17 exploitation by CCCM and/or the other defendants.
- 18 i. To mislead the followers of TWFT into thinking that CCCM was operating
- 19 TWFT and/or The Word for Today program and/or that CCCM was the owner of the Pastor
- 20 Chuck property so that those followers would purchase goods from CCCM, and donate to
- 21 CCCM, thus depriving TWFT of the revenues it depended upon. The ultimate goal of the
- 22 defendants was to use deception to obtain the revenues that would have gone to TWFT, and
- 23 having starved TWFT of revenues and assets that rightfully belonged to TWFT, to cause TWFT
- 24 to shut down.
- 25 j. To conceal, to the greatest extent possible, the aims of this conspiracy from
- 26 TWFT, Pastor Chuck and Kay Smith.

27 30. Acting in secrecy, the individual defendants held a meeting on or about June 23,2009
28 for the purpose of rescinding the earlier resolution confirming TWFT's ownership of the Pastor

1 Chuck property. Plaintiffs are informed and believe, and based upon such information and belief
2 allege that on a motion made by defendant Dyer, the CCCM board members (the individual
3 defendants herein) adopted a resolution which unilaterally purported to rescind the resolution
4 and ratification which confirmed TWFT's exclusive ownership of the Pastor Chuck property.
5 No notice of the action was given to TWFT or Pastor Chuck. The defendants otherwise
6 concealed the purported unilateral rescission from the plaintiffs and Pastor Chuck. It was not
7 discovered until after his death.

8 31. CCCM represented to Pastor Chuck that it would purchase an annuity which would
9 make payments to him during his lifetime, and which would, after his death, continue making
10 payments to Kay Smith. During her many years of service to CCCM, Kay Smith had never been
11 compensated, and she looked to the annuity for her support in the event Pastor Chuck
12 predeceased her.

13 32. At some point prior to 2006, TWFT procured a \$1,000,000 insurance policy on Pastor
14 Smith's life and, plaintiffs are informed and believe, paid the premiums on that policy. That
15 policy originally designated Kay Smith as the beneficiary of \$500,000, and TWFT as the
16 beneficiary of the other \$500,000, of the life insurance proceeds. In 2006, CCCM and/or
17 individual defendants persuaded Pastor Chuck to designate CCCM as the sole beneficiary of the
18 entire \$1,000,000 proceeds. Plaintiffs are informed and believe, and based upon such
19 information and belief allege, that CCCM promised Pastor Chuck that in exchange for his
20 designation of CCCM as sole beneficiary under the policy, CCCM would hold the proceeds in
21 trust for Kay Smith and TFWT or provide equivalent benefits to them. The defendants
22 concealed those changes in beneficiaries from Kay Smith and TWFT, and the changes were not
23 discovered until after Pastor Chuck's death.

24 33. Plaintiffs are informed and believe, and based upon such information and belief
25 allege that defendant Broderon selected a nurse who had previously worked in defendant
26 Broderon's home to live in Pastor Chuck's household as a care giver to Pastor Chuck (who had
27 suffered a stroke in 2009 and who had cancer) and to Kay Smith (who had dementia).

28 ///

1 34. In 2013, CCCM and Pastor Chuck started searching for Pastor Chuck's successor at
2 CCCM. He asked his brother Paul Smith to assist him in that search, and Paul Smith agreed to
3 do so. Paul Smith was provided with an office at CCCM, and he and Pastor Chuck commenced
4 the search for Pastor Chuck's successor. Meanwhile, defendant Broderson had for a period of
5 years been holding himself out to the public as Pastor Chuck's chosen successor. In fact, Pastor
6 Chuck did not consider Broderson as a worthy successor.

7 35. At some point between September 24, 2013 and October 2, 2013, and in the privacy of
8 his home, Pastor Chuck informed Broderson that he would not be appointed as Pastor Chuck's
9 successor at CCCM, that Pastor Chuck wanted Broderson to resign from CCCM, and that if he
10 did not resign he would be terminated. An ugly scene ensued, and Broderson stormed out of
11 Pastor Chuck's home. Paul Smith, who unbeknownst to Broderson was in the home, heard the
12 commotion and observed Broderson storm out. Plaintiffs are informed and believe and based
13 upon such information and belief allege that Broderson thereafter sought to prevent Pastor
14 Chuck from communicating to the CCCM community at large his intent that Broderson not
15 succeed him and/or leave CCCM.

16 36. Pastor Chuck had not disclosed the information communicated to Broderson on that
17 occasion to the public. Broderson therefore realized that if he had any hope of succeeding Pastor
18 Chuck at CCCM, he would need to act quickly and boldly.

19 **PASTOR CHUCK'S DEATH AND THE ACTS OF**
20 **THE DEFENDANTS FOLLOWING HIS DEATH**

21 37. Although he had suffered a stroke and was diagnosed with cancer, Pastor Chuck was
22 able to continue his pastoral work. He was, in fact, preparing to deliver a sermon at the time of
23 his death, and he continued to generate intellectual property until his death.

24 38. Pastor Chuck appeared to be in a stable state of health through the morning of
25 October 2, 2013.

26 39. On or about October 2, 2013, one of Pastor Chuck's sons arrived at Pastor Chuck's
27 residence for a visit with his father. Upon arriving, the son found Pastor Chuck in bed, in
28 darkened room, and surrounded by individuals in a somber mood. It did not appear that any

1 medical assistance had been summoned for Pastor Chuck.

2 40. When Kay Smith awoke in the early morning hours of October 3, 2013, she detected a
3 change in Pastor Chuck's breathing. As she tried to ascertain what was wrong, their son awoke
4 and came in to check on his father. He saw Pastor Chuck's breathing change, and woke the
5 nurse, so that the nurse could attend to Pastor Chuck. After checking on Pastor Chuck, the nurse
6 administered a powerful sedative to Kay Smith causing her to sleep until the next day and
7 therefore was not able to see Pastor Chuck again before he died.

8 41. The nurse refrained from calling 911 to summon such medical assistance.

9 42. No one in the house sought emergency assistance for approximately an hour. Finally,
10 one of Pastor Chuck's grandsons called 911 to summon emergency medical assistance. By the
11 time paramedics arrived, however, Pastor Chuck had died. The paramedics on the scene stated
12 that 911 should have been called earlier, and that a prompt call to 911 would have allowed them
13 to help Pastor Chuck and prevented his suffering.

14 43. Within a day following Pastor Chuck's death, the defendants acted so as to deprive
15 TWFT of its key assets and property, and to drive TWFT out of business, so that the defendants
16 could enjoy the benefits of the Pastor Chuck property and the Kay Smith property. The
17 defendants performed the following acts among others, in furtherance of their conspiracy:

18 a. Within a day of his death, individual defendants commandeered Pastor Chuck's
19 office, personal computers, hard drives, files, and records. The documents they seized included
20 records of loans by Pastor Chuck to third parties. Those computers, hard drives, files and
21 records, as well as the information they contain, have been concealed from the plaintiffs.

22 b. Within a day of his death, CCCM and the individual defendants took control over
23 the office, files, records, and other property of TWFT. CCCM and the individual defendants
24 posted security guards at the entrance to the TWFT office, and have denied TWFT access to that
25 office, and to the files, records and property of TWFT. The defendants have refused plaintiffs
26 requests for them to return the Pastor Chuck property, the Kay Smith property and the other
27 TWFT property and records under the wrongful control of the defendants.

28 ///

1 c. On or about October 21,2013, without cause or notice, defendant Broderson,
2 acting on behalf of the defendants and in furtherance of the conspiracy, obtained the resignation
3 of the TWFT's Director so as to remove oversight by TWFT of the Pastor Chuck property and
4 the Kay Smith property so that the defendants could solidify control over those assets for their
5 own benefit, and to the exclusion of TWFT.

6 d. The defendants have breached the agreements made with Pastor Chuck and
7 TWFT for ownership of the Pastor Chuck property and the Kay Smith property to reside with
8 TWFT, and for those assets to be controlled by TWFT. Moreover, the defendants have
9 committed acts of unfair competition with TWFT by falsely representing to the public who
10 consume pastoral products such as recorded sermons that CCCM is the proper custodian of the
11 Pastor Chuck property and Kay Smith property and are entitled to exclusive use and control over
12 those assets for fund raising purposes. In particular, CCCM represents to the public that it is the
13 owner of the The Word for Today radio program, its content, and the master recordings of
14 Pastor Chuck's sermons, causing the public to abandon its support of TWFT, and to contribute
15 instead to CCCM.

16 e. The defendants have committed acts of unfair competition against TWFT by
17 denying TWFT access to its own computers, files, equipment and records, thereby preventing
18 TWFT from accessing its own supporter/donor data base, and preventing TWFT from
19 distributing sermons by Pastor Chuck and Kay Smith.

20 f. The defendants have committed acts of unfair competition against TWFT by
21 taking control of (1) the post office box (P.O. Box 8000 Costa Mesa, California, 92628) which
22 TWFT has used since 1978 to receive donations, product sales orders and other
23 communications, and (2) the telephone number 1-800-282-WORD, which TWFT has used for
24 twenty or more years to receive donation calls and product sales orders and donation calls.

25 g. The defendants have committed acts of unfair competition against TWFT, and
26 by deceiving the public into thinking that CCCM is the successor in interest to TWFT, or that
27 CCCM is TWFT.

28 ///

1 50. Based upon that trust and confidence, TWFT agreed to permit CCCM to hold Pastor
2 Smith property and Kay Smith property in its own name on the condition that such property
3 would beneficially be owned by TWFT, and on the condition that following Pastor Chuck's
4 death that TWFT would own and control such property.

5 51. Based upon that trust and confidence, TWFT agreed to permit CCCM to utilize Pastor
6 Smith property and Kay Smith property to benefit CCCM, and CCCM agreed to compensate
7 TWFT for such use. It was agreed that notwithstanding such use by CCCM, the Pastor Chuck
8 property and Kay Smith property was owned by TWFT, and following Pastor Chuck's death
9 that TWFT would own and control such property.

10 52. At all relevant times, TWFT relied upon CCCM to honor its representations regarding
11 the ownership of the Pastor Chuck property by TWFT. In reliance upon those representations,
12 TWFT agreed to permit CCCM to use the Pastor Chuck property and/or to hold nominal title to
13 such property in trust for TWFT and/or to come into possession, for the benefit of TWFT, of the
14 proceeds generated by the Pastor Chuck property and Kay Smith property.

15 53. The defendants voluntarily accepted the trust and confidence reposed in them by TWFT
16 and Pastor Chuck with regard to, among things, access to and use of the Pastor Chuck property
17 and the Kay Smith property, as well as the handling of revenues and donations resulting from
18 CCCM's use of the Pastor Chuck property and the Kay Smith property.

19 54. The defendants abused the trust and confidence of TWFT by, among other things,
20 conspiring to exclude TWFT from the benefits of the Pastor Chuck property and the Kay Smith
21 property, by undermining TWFT's ability to protect its assets, by seizing assets they had agreed
22 to be the property of TWFT, by keeping the proceeds of the assets they seized in breach of
23 earlier agreements and by reneging on the agreements under which CCCM was allowed to
24 utilize the Pastor Chuck property and the Kay Smith property.

25 55. Plaintiffs are informed and believe that the individual defendants utilized their control of
26 CCCM in order to deprive the TWFT of its property and that such misuse was for personal gain
27 and not for any legitimate corporate purpose.

28 ///

1 56. The defendants accomplished the foregoing wrongs through violations of trust and
2 breaches of fiduciary duties. As a result, the defendants, and each of them, hold the Pastor
3 Chuck property, the Kay Smith property, and the donations and revenues derived from those
4 assets as constructive trustees for the benefit of TWFT with a duty to convey same to TWFT
5 forthwith. As a proximate result of the foregoing, plaintiff has been damaged in an amount
6 which exceeds the jurisdictional minimum of the Superior Court, together with interest thereon

7 57. Plaintiff is informed and believes that the individual defendants were acting in
8 furtherance of personal interests and not for any legitimate corporate purpose.

9 58. The actions of the defendants, and each of them, were performed with complete
10 disregard for the rights of TWFT, and with the malicious intent of destroying TWFT as an
11 ongoing organization. By virtue of the foregoing, TWFT is entitled to punitive and exemplary
12 damages according to proof against each of the defendants.

13 **SECOND CAUSE OF ACTION**

14 (For Fraud by TWFT Against CCCM and All Defendants)

15 59. By this reference, plaintiff TWFT incorporates the allegations of paragraphs 1 through
16 58, inclusive, hereof as though fully set forth at this point.

17 60. Prior to Pastor Chuck's death, a relationship of trust and confidence existed between
18 TWFT and CCCM. At all relevant times, the defendants stood in the position of fiduciaries
19 toward the TWFT and Pastor Chuck.

20 61. The defendants, particularly CCCM, represented to TWFT and Pastor Chuck that they
21 wanted to benefit from the Pastor Chuck property and Kay Smith property, but recognized that
22 the Pastor Chuck property and Kay Smith property belonged to TWFT. The defendants
23 represented that in exchange for the right to use and/or hold title to some of the Pastor Chuck
24 property and Kay Smith property, (a) that they would confirm TWFT's ownership and control
25 over that property, (b) that they would pay royalties and to account to TWFT for any use that
26 CCCM made of the Pastor Chuck property and/or Kay Smith property, and (c) that if CCCM
27 were to hold any title to any of the Pastor Chuck property or Kay Smith property, that such title
28 would be held for the benefit of the equitable owner, TWFT.

1 62. Those representations were false when made. In fact, the defendants planned to disregard
2 the true ownership of the Pastor Chuck property and Kay Smith property so that said property
3 could be used solely for the defendants' benefit.

4 63. Based upon those representations and the trust and confidence among TWFT and Pastor
5 Smith, on one hand, and CCCM, on the other hand, TWFT were induced (a) to permit CCCM
6 to hold Pastor Chuck property and Kay Smith property in its own name on the condition that
7 such property would beneficially be owned by TWFT, and on the condition that following
8 Pastor Chuck's death that TWFT would own and control such property, and (b) to permit
9 CCCM to utilize Pastor Chuck property and Kay Smith property to benefit CCCM in exchange
10 for compensation to TWFT for such use and an accounting of proceeds realized by CCCM. It
11 was agreed that notwithstanding such use by CCCM, the Pastor Chuck property and Kay Smith
12 property was owned by TWFT, and following Pastor Chuck's death that TWFT would own and
13 control such property.

14 64. At all relevant times, TWFT reasonably relied upon the foregoing representations
15 and promises relating to the Pastor Chuck property and Kay Smith property and, pursuant to
16 such reliance, TWFT agreed to permit CCCM to use the Pastor Chuck property and/or to hold
17 nominal title to such property in trust for TWFT and/or to come into possession, for the benefit
18 of TWFT, of the proceeds generated by the Pastor Chuck property and Kay Smith property. But
19 for the false representations made by the defendants, TWFT would not have consented to
20 CCCM's use of the Pastor Chuck property and/or Kay Smith property.

21 65. The defendants abused the trust and confidence of TWFT by, among other things,
22 conspiring to exclude TWFT from the benefits of the Pastor Chuck property and the Kay Smith
23 property, by undermining TWFT's ability to protect its assets, by seizing assets they had agreed
24 to be the property of TWFT, by keeping the proceeds of the assets they seized in breach of
25 earlier agreements and by reneging on the agreements under which CCCM was allowed to
26 utilize the Pastor Chuck property and the Kay Smith property.

27 66. Plaintiffs are informed and believe that the individual defendants utilized their control of
28 CCCM in order to deprive the TWFT of its property and that such misuse was for personal gain

1 and not for any legitimate corporate purpose.

2 67. The defendants accomplished the foregoing wrongs through violations of trust and
3 breaches of fiduciary duties.

4 68. As a proximate result of the foregoing, plaintiff has been damaged in an amount which
5 exceeds the jurisdictional minimum of the Superior Court, together with interest thereon.

6 69. Plaintiff is informed and believes that the individual defendants were acting in
7 furtherance of personal interests and not for any legitimate corporate purpose.

8 70. The actions of the defendants, and each of them, were performed with complete
9 disregard for the rights of TWFT, and with the malicious intent of destroying TWFT as an
10 ongoing organization. By virtue of the foregoing, TWFT is entitled to punitive and exemplary
11 damages according to proof against each of the defendants.

12 **THIRD CAUSE OF ACTION**

13 (For An Accounting by TWFT Against CCCM and Does 1-10)

14 71. By this reference, plaintiff TWFT incorporates the allegations of paragraphs 1 through
15 70, inclusive, as though fully set forth at this point.

16 72. Prior to Pastor Chuck's death, a relationship of trust and confidence existed between
17 TWFT and CCCM. At all relevant times, the defendants stood in the position of fiduciaries
18 toward the TWFT and Pastor Chuck.

19 73. Based upon that trust and confidence, TWFT agreed to permit CCCM to hold Pastor
20 Smith property and Kay Smith property in its own name on the condition that such property
21 would beneficially be owned by TWFT, and on the condition that following Pastor Chuck's
22 death that TWFT would own and control such property.

23 74. Based upon that trust and confidence, TWFT agreed to permit CCCM to utilize Pastor
24 Smith property and Kay Smith property to benefit CCCM, and CCCM agreed to compensate
25 TWFT for such use. It was agreed that notwithstanding such use by CCCM, the Pastor Chuck
26 property and Kay Smith property was owned by TWFT, and following Pastor Chuck's death
27 that TWFT would own and control such property.

28 ///

1 75. At all relevant times, TWFT relied upon CCCM to honor its representations regarding
2 the ownership of the Pastor Chuck property by TWFT. In reliance upon those representations,
3 TWFT agreed to permit CCCM to use the Pastor Chuck property and/or to hold nominal title to
4 such property in trust for TWFT and/or to come into possession, for the benefit of TWFT, of the
5 proceeds generated by the Pastor Chuck property and Kay Smith property.

6 76. The defendants voluntarily accepted the trust and confidence reposed in them by TWFT
7 and Pastor Chuck with regard to, among things, access to and use of the Pastor Chuck property
8 and the Kay Smith property, as well as the handling of revenues and donations resulting from
9 CCCM's use of the Pastor Chuck property and the Kay Smith property.

10 77. By virtue of the foregoing agreement relating to ownership and use of the Pastor Chuck
11 property and the Kay Smith property, CCCM and the other defendants have used property of the
12 plaintiff for economic benefit. That use has resulted in numerous transactions and receipt by the
13 defendants of funds, consisting of proceeds from product sales and donations, which belong to
14 the plaintiff pursuant to the foregoing agreement.

15 78. Since the defendants have seized the office, books and records of TWFT, and have
16 denied TWFT access to its offices or books and records, TWFT cannot ascertain how much
17 money is due from the defendants to TWFT.

18 79. The amount of money due from defendants to TWFT cannot be ascertained without an
19 accounting of revenues, product sales figures and donations. Plaintiff believes that the amount
20 due TWFT from defendants exceeds the jurisdictional minimum of the Superior Court.

21 80. Plaintiff has demanded that the defendants account for the aforementioned funds and pay
22 the amounts owed to plaintiff. The defendants have failed and refused to provide such an
23 accounting.

24 **FOURTH CAUSE OF ACTION**

25 (For Unfair Business Practices by TWFT Against All Defendants)

26 81. By this reference, plaintiff TWFT incorporates the allegations of paragraphs 1 through
27 80, inclusive, as though fully set forth at this point.

28 ///

1 82. California Business and Professions Code section 17200 prohibits unlawful,
2 deceptive, unfair or fraudulent business practices. California law recognizes that a defendant's
3 use of fraud to secure the business of another party constitutes the kind of unlawful, deceptive,
4 unfair or fraudulent business practice prohibited by the act.

5 83. The defendants sought to eliminate TWFT as a competitor of CCCM for revenues and
6 donations. To that end, they literally locked TWFT out of its own offices, and deprived TWFT
7 of the information, assets and tools it needed to exist. Among other things, the defendants
8 committed unfair business practices toward TWFT by denying TWFT access to its own
9 computers, files, equipment, records and assets. The defendants have also taken control of (1)
10 the post office box (P.O. Box 8000 Costa Mesa, California, 92628) which TWFT has used since
11 1978 to receive donations, product sales orders and other communications, (2) the telephone
12 number 1-800-282-WORD, which TWFT has used for twenty or more years to receive donation
13 calls and product sales orders and donation calls, and (3) the TWFT logo in an effort into
14 deceiving the public into thinking that CCCM was TWFT.

15 84. As part of their scheme to eliminate a competitor of CCCM for revenues and donations,
16 the defendants made the foregoing fraudulent representations to TWFT and Pastor Chuck
17 concerning the terms of CCCM's use of the Pastor Chuck property and the Kay Smith property.

18 85. The defendants' use of assets of TWFT was misleading and deceptive to the public, as
19 the defendants intended.

20 86. TWFT suffered economic injuries as a result of defendant's alleged unfair business
21 practices. The amount of those injuries exceeds the jurisdictional minimum of the Superior
22 Court.

23 87. TWFT seeks restitutionary disgorgement of the defendants' profits from the foregoing
24 acts of unfair competition. it has unlawfully made pursuant to said scheme interest on sums
25 owed.

26 88. The above alleged conduct of the defendants is ongoing, and is likely to be deceptive and
27 harmful to members of the public. Unless and until restrained by the Court, the defendants will
28 continue to prevent TWFT from operating, and will continue to falsely represent CCCM as the

1 successor in interest to TWFT and/or as TWFT itself. In particular, TWFT seeks an injunction
2 against defendants enjoining them from aiding, abetting or engaging in the foregoing deceptive,
3 fraudulent or illegal business practices against TWFT.

5 **FIFTH CAUSE OF ACTION**

6 (For Conversion by TWFT Against all defendants)

7 89. By this reference, plaintiff TWFT incorporates the allegations of paragraphs 1 through
8 88, inclusive, as though fully set forth at this point.

9 90. TWFT is the owner, and is entitled to immediate possession, of personal property
10 consisting of tangible embodiments of works by Pastor Chuck and Kay Smith (including master
11 recordings), computers, files, notes, equipment, and records of TWFT.

12 91. The defendants have took that personal property from TWFT's possession, prevented
13 TWFT from using that property, and converted that property to the defendants' own use. The
14 acts of the defendants in seizing that property and denying TWFT its use interferes with
15 plaintiff's right to possession thereof.

16 92. Plaintiff has demanded the return of its property, but the defendants have failed and
17 refuse to return it to plaintiff's possession.

18 93. Plaintiff has been damaged by the defendants acts of conversion in an amount which
19 exceeds the jurisdictional minimum of the Superior Court. Plaintiff is further entitled to fair
20 compensation for the time and money properly expended in pursuit of the property.

21 94. The actions of the defendants, and each of them, were performed with complete
22 disregard for the rights of TWFT, and with the malicious intent of destroying TWFT as an
23 ongoing organization. By virtue of the foregoing, TWFT is entitled to punitive and exemplary
24 damages according to proof against each of the defendants.

25 **SIXTH CAUSE OF ACTION**

26 (For Breach of Fiduciary Duty by TWFT Against all defendants)

27 95. By this reference, plaintiff TWFT incorporates the allegations of paragraphs 1 through
28 94, inclusive, as though fully set forth at this point.

1 96. Prior to Pastor Chuck's death, a relationship of trust and confidence existed between
2 TWFT and CCCM. At all relevant times, the defendants stood in the position of fiduciaries
3 toward the TWFT and Pastor Chuck.

4 97. Based upon that trust and confidence, TWFT agreed to permit CCCM to hold Pastor
5 Smith property and Kay Smith property in its own name on the condition that such property
6 would beneficially be owned by TWFT, and on the condition that following Pastor Chuck's
7 death that TWFT would own and control such property.

8 98. Based upon that trust and confidence, TWFT agreed to permit CCCM to utilize Pastor
9 Smith property and Kay Smith property to benefit CCCM, and CCCM agreed to compensate
10 TWFT for such use. It was agreed that notwithstanding such use by CCCM, the Pastor Chuck
11 property and Kay Smith property was owned by TWFT, and following Pastor Chuck's death
12 that TWFT would own and control such property.

13 99. At all relevant times, TWFT relied upon CCCM to honor its representations regarding
14 the ownership of the Pastor Chuck property by TWFT. In reliance upon those representations,
15 TWFT agreed to permit CCCM to use the Pastor Chuck property and/or to hold nominal title to
16 such property in trust for TWFT and/or to come into possession, for the benefit of TWFT, of the
17 proceeds generated by the Pastor Chuck property and Kay Smith property.

18 100. The defendants voluntarily accepted the trust and confidence reposed in them by TWFT
19 and Pastor Chuck with regard to, among things, access to and use of the Pastor Chuck property
20 and the Kay Smith property, as well as the handling of revenues and donations resulting from
21 CCCM's use of the Pastor Chuck property and the Kay Smith property.

22 101. The relationship of trust and confidence between CCCM and TWFT was so great that
23 the two entities shared office space and staff and shared assets such as the Pastor Chuck
24 property. Based upon the existence of that fiduciary relationship, CCCM was permitted to come
25 into possession of TWFT assets, including the Pastor Chuck property and the Kay Smith
26 property.

27 102. The defendants breached fiduciary duties owed to TWFT by excluding TWFT from
28 possession and control of TWFT assets that CCCM was permitted to enjoy, by using those

1 assets for its sole benefit in an effort to destroy TWFT, by refusing to account for its use of
2 TWFT assets, and by otherwise acting as alleged hereinabove in placing CCCM's interests, and
3 the interests of the other defendants, above those of TWFT.

4 103. The defendants accomplished the foregoing wrongs through violations of trust and
5 breaches of fiduciary duties.

6 104. As a proximate result of the foregoing, plaintiff has been damaged in an amount which
7 exceeds the jurisdictional minimum of the Superior Court, together with interest thereon.

8 105. Plaintiff is informed and believes that the individual defendants were acting in
9 furtherance of personal interests and not for any legitimate corporate purpose.

10 106. The actions of the defendants, and each of them, were motivated by performed with
11 complete disregard for the rights of TWFT, and with the malicious intent of destroying TWFT
12 as an ongoing organization. By virtue of the foregoing, TWFT is entitled to punitive and
13 exemplary damages according to proof against each of the defendants.

14 **SEVENTH CAUSE OF ACTION**

15 (For Elder Abuse (Financial) of Kay Smith Against all defendants)

16 107. By this reference, plaintiff incorporates the allegations of paragraphs 1 through
17 106, inclusive, as though fully set forth at this point.

18 108. Manderson, who holds a power of attorney to act on behalf of Kay Smith, has asked the
19 Court to be appointed as her Guardian ad Litem, and brings this cause of action in those
20 capacities.

21 109. At the time of the events described hereinafter, Kay Smith was was an "elder" as that
22 term is defined in Welfare & Institutions Code §15630.27, and a resident in the County of
23 Orange, State of California.

24 110. Prior to Pastor Chuck's death, a relationship of trust and confidence existed between
25 CCCM, the individual defendants and Kay Smith. At all relevant times, the defendants stood in
26 the position of fiduciaries toward Kay Smith

27 111. CCCM represented to Pastor Chuck that it would purchase an annuity which would
28 make payments to him during his lifetime, and which would, after his death, continue making

1 payments to Kay Smith. During her many years of service to CCCM, Kay Smith had never been
2 compensated, and she looked to the annuity for her support in the event Pastor Chuck
3 predeceased her.

4 112. At some point prior to 2006, TWFT procured a \$1,000,000 insurance policy on Pastor
5 Smith's life and, plaintiffs are informed and believe, paid the premiums on that policy. That
6 policy originally designated Kay Smith as the beneficiary as to \$500,000 of the proceeds, and
7 TWFT as the beneficiary of the other \$500,000 of the proceeds. In 2006, CCCM and/or
8 individual defendants persuaded Pastor Chuck to designate CCCM as the sole beneficiary of the
9 entire \$1,000,000 proceeds. Plaintiffs are informed and believe, and based upon such
10 information and belief allege, that CCCM promised Pastor Chuck that in exchange for his
11 designation of CCCM as sole beneficiary under the policy, CCCM would hold the \$500,000 of
12 the insurance proceeds in trust for Kay Smith and TFWT or provide equivalent benefits to her.
13 The defendants concealed those changes in beneficiaries from Kay Smith and TWFT, and the
14 changes were not discovered until after Pastor Chuck's death.

15 113. The defendants knew that Kay Smith would be dependent upon the annuity payments
16 and upon anticipated proceeds, in the amount of \$500,000, from the insurance policy on Pastor
17 Chuck's life, for her support following his death.

18 114. Plaintiffs are informed and believe that the defendants intended to divert annuity
19 payments owed to Kay Smith to CCCM after Pastor Chuck's death so as to prevent her from
20 resisting the above alleged conspiracy.

21 115. Following Pastor Chuck's death, CCCM received the entire proceeds of the life
22 insurance policy on Pastor Chuck's life, depriving Kay Smith of the proceeds designated for her.
23 The defendants failed to provide any substitute benefits or payments to Kay Smith so as to
24 prevent her from resisting the above alleged conspiracy.

25 116. The defendants have been unjustly enriched by retention of the amounts designated for
26 Kay Smith's benefit, and have converted same to their own use and benefit.

27 117. The acts of the defendants toward Kay Smith were performed with recklessness,
28 oppression, fraud, or malice. The defendants acted with deliberate disregard of Kay Smith's

1 rights and well being.

2 118. As a proximate result of the acts and omissions of the defendants, Kay Smith suffered
3 great economic, mental and physical pain.

4 119. The actions of the defendants were intended to result in economic and other harm to Kay
5 Smith. By virtue of the foregoing, TWFT is entitled to punitive and exemplary damages
6 according to proof against each of the defendants.

7 **EIGHTH CAUSE OF ACTION**

8 (For Constructive Trust by Kay Smith Against all defendants)

9 120. By this reference, plaintiff incorporates the allegations of paragraphs 1 through
10 119, inclusive, as though fully set forth at this point.

11 121. Manderson, who holds a power of attorney to act on behalf of Kay Smith, has asked the
12 Court to be appointed as her Guardian ad Litem, and brings this cause of action in those
13 capacities.

14 122. At all relevant times, Kay Smith and Pastor Chuck relied upon CCCM to honor its
15 representations regarding the life insurance proceeds.

16 123. The defendants voluntarily accepted the trust and confidence reposed in them by Pastor
17 Chuck and Kay Smith regarding the annuity and life insurance proceeds.

18 124. The defendants abused the trust and confidence of Pastor Chuck and Kay Smith
19 by failing to either hold \$500,000 in life insurance proceeds in trust for Kay Smith or to provide
20 her with equivalent benefits. Instead, the defendants kept those monies for themselves.

21 125. The defendants accomplished the foregoing wrongs through violations of trust and
22 breaches of fiduciary duties. As a result, the defendants, and each of them, hold the sum of
23 \$500,000 in life insurance proceeds as constructive trustees for the benefit of Kay Smith with a
24 duty to convey same to TWFT forthwith.

25 126. As a proximate result of the foregoing, plaintiff has been damaged in an amount which
26 exceeds the jurisdictional minimum of the Superior Court, together with interest thereon

27 127. Plaintiff is informed and believes that the individual defendants were acting in
28 furtherance of personal interests and not for any legitimate corporate purpose.

1 128. The actions of the defendants, and each of them, were with complete disregard for the
2 Kay Smith's rights and with the malicious intent of preventing her from interfering in their plans
3 to destroy TWFT as an ongoing organization. By virtue of the foregoing, TWFT is entitled to
4 punitive and exemplary damages according to proof against each of the defendants.

5 **NINTH CAUSE OF ACTION**

6 (For Injunctive Relief by TWFT Against all defendants)

7 129. By this reference, plaintiff incorporates the allegations of paragraphs 1 through
8 128, inclusive, as though fully set forth at this point.

9 130. Unless and until restrained by the Court, the defendants will continue to prevent TWFT
10 from operating as a going concern, and the acts of the defendants will prevent TWFT from
11 reviving its unique mission as the repository of Pastor Chuck's lifework. In addition, unless
12 restrained by the Court, the defendants will continue to deceive the public through unfair
13 business practices.

14 131. TWFT seeks an injunction against Defendants enjoining them from: (1) interfering in
15 TWFT's right to possession of intellectual property and assets of TWFT, (2) engaging in
16 misleading business practices which deceive the public regarding TWFT, (3) making any false
17 or misleading representations to the public regarding TWFT, or (4) preventing TWFT from
18 utilizing any of its assets that were seized by defendants or otherwise unlawfully interfering in
19 the business of TWFT.

20 WHEREFORE, plaintiffs pray judgment as follows:

21 **FIRST CAUSE OF ACTION**

- 22 1. For an order that the defendants, and each of them, hold the Pastor Chuck
23 property, the Kay Smith property, and the donations and revenues derived from
24 those assets as constructive trustees for the benefit of TWFT with a duty to
25 convey same to TWFT forthwith.
- 26 2. For any available damages according to law and interest thereon;
- 27 3. For costs of suit incurred in the prosecution of this action;
- 28 4. For such other and further relief as the Court may deem just and proper.

1 **SECOND CAUSE OF ACTION**

- 2 1. For special and general damages according to proof and interest thereon;
- 3 2. For punitive and exemplary damages according to proof;
- 4 3. For costs of suit incurred in the prosecution of this action;
- 5 4. For such other and further relief as the Court may deem just and proper.

6 **THIRD CAUSE OF ACTION**

- 7 1. For an accounting of revenues, product sales figures and donations and payment
- 8 of the amounts owed to plaintiff.
- 9 2. For any available damages according to law and interest thereon;
- 10 3. For costs of suit incurred in the prosecution of this action;
- 11 4. For such other and further relief as the Court may deem just and proper.

12 **FOURTH CAUSE OF ACTION**

- 13 1. For an order requiring defendants to show cause why they should not be
- 14 enjoined as alleged herein above pendente lite;
- 15 2. For an order requiring disgorgement of monies wrongfully retained and any
- 16 available damages and trebling thereof and interest thereon;
- 17 3. For punitive and exemplary damages according to proof;
- 18 4. For costs of suit incurred in the prosecution of this action;
- 19 5. For such other and further relief as the Court may deem just and proper.

20 **FIFTH CAUSE OF ACTION**

- 21 1. For special and general damages according to proof and interest thereon;
- 22 2. For punitive and exemplary damages according to proof;
- 23 3. For costs of suit incurred in the prosecution of this action;
- 24 4. For such other and further relief as the Court may deem just and proper.

25 **SIXTH CAUSE OF ACTION**

- 26 1. For special and general damages according to proof and interest thereon;
- 27 2. For punitive and exemplary damages according to proof;
- 28 3. For costs of suit incurred in the prosecution of this action;

4. For such other and further relief as the Court may deem just and proper.

SEVENTH CAUSE OF ACTION

1. For special and general damages according to proof and interest thereon;
2. For punitive and exemplary damages according to proof;
3. For attorneys fees according to statute
4. For costs of suit incurred in the prosecution of this action;
5. For such other and further relief as the Court may deem just and proper.

EIGHTH CAUSE OF ACTION

1. For an order that the defendants, and each of them, hold funds constructive trustees for the benefit of Kay Smith with a duty to convey same to her forthwith.
2. For any available damages according to law and interest thereon;
3. For costs of suit incurred in the prosecution of this action;
4. For such other and further relief as the Court may deem just and proper.

NINTH CAUSE OF ACTION

1. For an injunction enjoining Defendants them from: (1) interfering in TWFT's right to possession of intellectual property and assets of TWFT, (2) engaging in misleading business practices which deceive the public regarding TWFT, (3) making any false or misleading representations to the public regarding TWFT, or (4) preventing TWFT from utilizing any of its assets that were seized by defendants or otherwise unlawfully interfering in the business of TWFT.
2. For any available damages according to law and interest thereon;
3. For costs of suit incurred in the prosecution of this action;
4. For such other and further relief as the Court may deem just and proper.

Dated: March 26, 2015

ALLRED, MAROKO, & GOLDBERG

By: 
NATHAN GOLDBERG
Attorneys for Plaintiffs

1 [SIGNATURES CONTINUED]

2 Dated: March 26, 2015

JEFFEREY B. LURNER, APC

3
4 By: 
JEFFEREY B. LURNER
Attorney for Plaintiffs

CALVARY CHAPEL OF COSTA MESA

BOARD OF TRUSTEES

MINUTES

FEBRUARY 12, 1998

MEMBERS PRESENT

Pastor Smith, Floyd Bennett, Les Berriman, Denver Darling, Joe Dyer, John Laudadio, John McClure, Mike Mugavero, Mike Pronio, and Jerry White.

MEMBERS ABSENT:

None

GUEST:

George Forteville and Peter Haynes

The Calvary Chapel Board of Trustees met in regular session on February 12, 1998, at the home of John McClure.

Pastor Smith opened the meeting in prayer at 7:30 PM, followed by Scripture reading from Psalm 96 by John McClure.

MINUTES OF
JANUARY 15, 1998

The minutes of the January 15, 1998 Board meeting were reviewed and approved as corrected.

FINANCIAL REPORT:
CALVARY CHAPEL
OF COSTA MESA
JANUARY 1998

The Calvary Chapel of Costa Mesa financial report for the month ending January 31, 1998 was submitted for review and approval.

On a motion by Jerry White seconded by Denver Darling and carried the report, including the approval of the disbursement of designated funds, was approved.

FINANCIAL REPORT:
M.C.A./C.C.H.S. OF
COSTA MESA FOR
JANUARY 1998

The Maranatha Christian Academy/Calvary Chapel High School financial report for January 31, 1998 was submitted for review and approval.

On a motion by Jerry White seconded by Joe Dyer and carried the report was approved.

**ORDINATION REQUEST:
STEVE SNOOK**

A request was received from Pastor Steve Snook of Calvary Chapel (Metro Church) in Santa Monica to recognize God's ordination on his life. Steve has been Pastor of the church for the past 3 years.

On a motion by Jerry White and seconded by Denver Darling the request for ordination was approved.

**REQUEST FOR
FUNDS, CSN**

A request for funds was received from CSN for continued expansion of the ministry. \$300,000.00 to purchase equipment for the local satellite stations to allow them to produce local announcements. \$285,000.00 for the purchase of radio station KRTM 88.9 FM, Temecula, CA. The funds to be given \$50,000.00 on February 15, \$285,000.00 on April 15, and \$250,000.00 on July 1, 1998.

On a motion by Jerry White and seconded by Floyd Bennett the request was approved.

**Pastor Smith's
Pastoral messages**

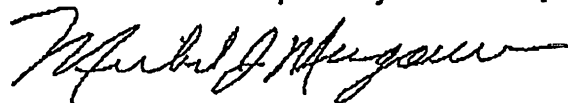
WHEREAS, Responsibility for the distribution of all messages given by Pastor Charles W. Smith at Calvary Chapel of Costa Mesa, and any other location, including, but not limited to, tapes, videos, books, pamphlets and other documentary literature authored or delivered by Pastor Smith, that any and all exclusive rights to such merchandise, to manufacture, sell and distribute would be placed in THE WORD FOR TODAY, INC.

THEREFORE, BE IT RESOLVED, The board of Trustees of Calvary Chapel of Costa Mesa, hereby ratifies this agreement, thereby releasing and assigning to THE WORD FOR TODAY, INC all rights, if any, that the church may have, including, but not limited to, pastoral messages, tapes, videos, books, pamphlets and other documentary literature authored or delivered by Pastor Charles W. Smith.

ADJOURNMENT:

There being no further business the meeting was adjourned at 8:47 PM to the next regular meeting to be held at the home of Denver Darling, 10271 Wesley Circle, Huntington Beach, CA at 7:30 PM on March 19, 1998.

Respectfully Submitted,



Michael J. Mugavero, Secretary

**ACKNOWLEDGMENT AND RATIFICATION
OF ACTION BY BOARD OF DIRECTORS**

Calvary Chapel Costa Mesa, through its Board of Directors, hereby exclusively relinquishes all rights, if any are held, to all pastoral work conducted, created and/or originated by Pastor Chuck Smith throughout his tenure, including but not limited to, all pastoral sermons, the notes, outlines, cassette tapes and video tapes derived therefrom, any and all video productions and the product derived therefrom, any and all literary works including but not limited to books, commentaries, pamphlets, brochures, published notes and outlines, as well as any and all present or future rights to motion pictures, documentaries, films and any other forms of visual production (hereinafter referred to as "pastoral materials") in perpetuity, to THE WORD FOR TODAY, INC. located at 3000 W. MacArthur Blvd., Third Floor, Santa Ana, California 92704.

All parties acknowledge that this agreement was verbally ratified by the Board of Directors at their February 12, 1998 Board Meeting, during which a discussion was held acknowledging a previous written agreement between Calvary Chapel of Costa Mesa granting the aforementioned rights to THE WORD FOR TODAY, INC.

Furthermore, Calvary Chapel Costa Mesa hereby acknowledges and agrees that it will have no rights to any monies derived from the manufacture, sale or distribution of the above referenced "pastoral materials", and hereby assigns those rights, if any are held, exclusively to THE WORD FOR TODAY, INC.

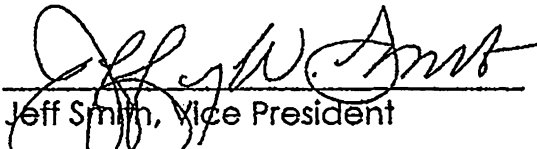
CALVARY CHAPEL COSTA MESA

Date: 3-19-98


Pastor Chuck Smith, Chairman of The
Board and President

THE WORD FOR TODAY

Date: 3-19-98


Jeff Smith, Vice President

I hereby consent to and ratify this agreement.

Date: 3-19-98


Pastor Chuck Smith

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action; my business address is: 6300 Wilshire Boulevard, Suite 1500, Los Angeles, California 90048-5217.

On **March 26, 2015**, I served the foregoing documents described as **FIRST AMENDED COMPLAINT** on the following person(s) at the address listed:

Golnar J. Fozi, Esq.
Daniel F. Modafferi, Esq.
Meyers Fozi, LLP
1925 Palomar Oaks Way, Suite 110
Carlsbad, CA 92008
gfozi@meyersfozi.com
dmodafferi@meyersfozi.com

☒ **BY MAIL:** I caused such envelope with postage thereon fully prepaid to be placed in the United States mail at Los Angeles, California.

☐ **BY PERSONAL SERVICE:** I caused such envelope to be delivered by hand to the addressee(s).

☐ **BY FAX:** by transmitting a true copy via facsimile transmission from telecopier number (213) 653-1660 located at 6300 Wilshire Blvd., Ste. 1500, Los Angeles, California 90048.

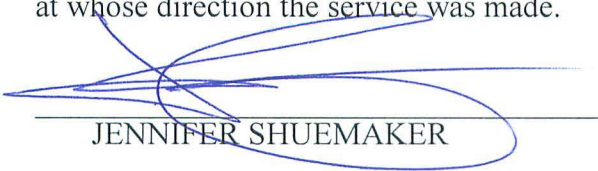
☒ **BY EMAIL:** I caused such document to be electronically served via email to the email address of the addressee(s).

☐ **BY FEDERAL EXPRESS:** I caused such document(s) to be delivered via Federal Express in a package designated to be picked up by Federal Express with delivery fees provided for to the addressee(s) designated. I am readily familiar with the business practice of collecting and processing correspondence to be picked up by an employee of Federal Express.

Executed on **March 26, 2015** at Los Angeles, California.

☒ **(State)** I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

☐ **(Federal)** I declare that I am employed in the office of a member of the bar of this Court at whose direction the service was made.


JENNIFER SHUEMAKER