
UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS

Three Angels Broadcasting Network, Inc.,
an Illinois non-profit corporation, and
Danny Lee Shelton, individually,

Case No. 07-40098 FDS

Plaintiffs,

v.

Gailon Arthur Joy and Robert Pickle,

Defendants.

AFFIDAVIT OF DR. WALT THOMPSON

STATE OF ILLINOIS)
)
FRANKLIN, ss.)

Dr. Walt Thompson, being first duly sworn upon oath, deposes and states as follows:

1. I am the Chairman of the Board of Directors of the non-profit corporation Three Angels Broadcasting Network, Inc. ("3ABN"), duly organized in the state of Illinois. I have been an officer of 3ABN since January 15, 1995 and I make this Affidavit of my personal knowledge and information.

2. The Board of Directors of Three Angels Broadcasting Network, Inc., has directed its attorneys to seek dismissal of the above-captioned lawsuit against Robert Pickle and Gailon Arthur Joy. The lawsuit was brought to shut down websites owned and operated by Mr. Joy and Mr. Pickle that were used to spread disparaging statements

about 3ABN and its co-founder and past President, Danny Lee Shelton. The major goals of the lawsuit have now been achieved by means outside of the lawsuit, and the Board determined that the lawsuit was no longer necessary.

3. The lawsuit alleges that Mr. Joy and Mr. Pickle violated federal trademark laws by owning and operating web sites that contained the "3ABN" name, which they used to publish false accusations about 3ABN and Mr. Shelton. However, on August 14, 2007, Mr. Joy filed for personal bankruptcy in the Massachusetts bankruptcy courts. The websites that 3ABN alleged were in violation of trademark laws were among Mr. Joy's assets. On February 12, 2008, 3ABN bought them from the bankruptcy trustee for a nominal sum. The web sites were then immediately shut down, which achieved one of the major goals of the lawsuit.

4. The Board feels that the other major objective of the lawsuit, that of assuring the public that 3ABN's financial and administrative conduct was proper, was also achieved outside of the lawsuit. Although 3ABN and Danny Shelton have always used the services of outside accounting firms to make sure that their tax returns and other filings are accurate and in full compliance with the laws, the Internal Revenue Service conducted a thorough review of 3ABN and Mr. Shelton which included a review of their financial records for the audit period, 2000 to 2006.

5. The investigation took more than a year. In July, our attorneys advised us that the IRS investigation had ended and that there would be no finding that 3ABN or Mr. Shelton had committed any wrongful act. The Board had hoped for a letter from the IRS indicating that 3ABN and Mr. Shelton were in full compliance with the law, but our attorneys inform us that the IRS does not issue such letters no matter what their

investigation shows. In this case, the IRS reviewed over 100,000 pages of financial records, interviewed numerous witnesses, and then simply ended the investigation without requesting that 3ABN or Mr. Shelton change their tax returns in any way or pay additional taxes. The Board views this IRS action as a vindication of its position that 3ABN and Danny Shelton fully complied with tax laws because if the IRS had found any violations, it would have at least ordered us to file corrected returns.

6. Similarly, Mr. Pickle and Mr. Joy had made allegations that certain 3ABN employees in the wills and trusts department had been mistreated. These allegations were investigated by California state authorities and the U.S. Equal Employment Opportunity Commission. Our attorneys advised us in March that the claims had been dismissed by the EEOC for insufficient evidence. Once again, the governmental agencies charged with enforcing the law looked into the allegations and determined there was no evidence that any law had been violated.

7. The Board originally authorized the lawsuit in order to protect the 3ABN name from being hijacked by people who wanted to use it to attract 3ABN's supporters to their website, and then burden them with messages of despair and distrust instead of hope and faith. The Board took forceful steps to prevent that from happening because we feel that protecting our organization's good name is necessary to fulfillment of our mission of broadcasting the Everlasting Gospel as described in the Three Angels Messages of Revelation 14 and 18 around the world.

8. Last week, the Board reviewed figures showing that 3ABN's donation levels have returned to the level they enjoyed before the attack on our reputation began. We think this shows that the public's confidence in 3ABN has been restored. When the

Board came to the conclusion that 3ABN's reputation was no longer being significantly harmed by the Defendants' activities and that continuation of the lawsuit could not achieve more than what we had already achieved by other means, it was time to shut the lawsuit down. The Board promptly voted to direct its attorneys to dismiss the lawsuit.

FURTHER YOUR AFFIANT SAYETH NOT.

Dated: 10/22/08

s/ Walter C. Thompson
Dr. Walt Thompson
Chairman of the Board, Three
Angels Broadcasting Network, Inc.

Subscribed and sworn to me
this 22 day of October, 2008.

s/ Shannon Weiler
Notary Public
My commission expires 9-20-2009
State of WI
County of Walworth

Certificate of Service

I, M. Gregory Simpson, hereby certify that this document filed through the ECF system will be sent electronically to the registered participants as identified on the Notice of Electronic Filing (NEF) and paper copies will be sent to those indicated as non-registered participants on October 23, 2008.

Dated: October 23, 2008

/s/ M. Gregory Simpson
M. Gregory Simpson