

# THE STRANGE SAGA OF JAMES MOORE

**PART ONE OF TWO**

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**Throughout this entire series of reports, the present writer has attempted to present new data with only as much repetition of earlier facts as are needed to connect key dates and events. This present report, which extends the entire series past 60 pages, is no exception.**

James E. Moore, the California real estate speculator who ultimately brought down Folkenberg's presidency, is a very unusual man.

Born in Texas in 1940, Moore graduated from a Sacramento high school in 1959 and worked briefly at several jobs until he discovered his niche: He was a born salesman. Moore had the ability to convince people that he had something they needed. It was not until the age of 27, when he answered an ad for insurance salesmen at Pennsylvania Life, of Santa Monica, California, that he discovered this. Moore claims that every month, between 1967 and 1974, he was one of their top ten salesmen.

By that time, Moore had earned enough money and made enough contacts, so he decided to switch to real estate—but not the usual kind.

Moore saw himself as too smart to beat the bushes for property to sell. Instead, he hired agents to search for land outside of Sacramento, which he could use. Once found, he placed an option to buy the site, and then found someone to develop it. Then, when it was developed, Moore would find final buyers for the property.

James Moore preferred to meet people and talk them into a scheme. But he also knew how to make the scheme so complicated that he would pull in a nice profit.

Moore generally did not pay a dime for any of the properties, yet he usually managed to acquire partial ownership of each one before being sold to someone else. (He did this by becoming a general partner in the enterprise, with a varying degree of control of the property, prior to its final sale.)

Moore claims that, by the mid-1980s, he had built his fortune up to \$9 million. Whether or not that is true, as we shall see, there is no doubt that Moore had the ability to part people from their money.

In many ways James Moore was sharper than Donald Davenport at this. (See our *Davenport Syndrome*, now in Part One of our *Finances Tractbook*, for the most complete report on the Davenport crisis, which broke open on July 22, 1981.)

However, James Moore did not always manage

to sell the land he acquired. One of the most remarkable examples of this was the Kanaka (pronounced "Ki-NAH-ka") property.

The Kanaka Valley is located in the foothills of California's Sierra Nevada Mountains, within view of Folsom Lake. Interspersed with California live oak, some pine, and bone-dry meadows, it is a little north of U.S. Highway 50 and 80 miles west of Lake Tahoe.

What is more valuable than California land? Especially when it is only 30 miles east of Sacramento, at an elevation which, in winter, is above the fog? The overcast hangs over the Central Valley and is too low for the heavy snows which cover the high Sierras.

But, for practical purposes, this particular plot, consisting of 1,373 acres of raw land with no improvements, was essentially useless.

Although intended to be transformed into a multi-million-dollar golf course, the tract of land sat there, undeveloped, from 1979 to the present time.

While property in Sacramento and Placer Counties was being developed, the Kanaka Valley was in El Dorado County, which has steadily opposed development. Not only do they want to keep everything quiet and rural; they also are worried about the lack of water.

So for 21 years Moore has not been able to develop it; yet, in spite of that, he has made a lot of money on it.

Undeveloped, the 1,373 acres was appraised in 1984 at \$4 million. After development, it could bring as much as \$30 million to those owning it. But what Moore's new partners did not know was that county officials blocked its development.

Not desiring to discourage prospects, Moore did not divulge that fact. So, one after another, he talked investors into coming on board. A quarter million here, several million there. Lots of money moving, and the land kept sitting there.

The result has, since the early 1980s, been nearly 20 years of arguments, lawsuits, bankruptcies, and broken lives. Robert Folkenberg is only the latest casualty.

In 1976, four years before he initially acquired the Kanaka property, accompanied by an Adventist friend, Moore flew down to Guatemala, to view the damage from a severe earthquake. While there he met Robert Folkenberg who had arrived there in 1971.

The two had a lot in common. Both were experienced pilots of small aircraft. Both were businessmen who knew how to get money out of people. And both were rather daring. (Folkenberg made a sideline out of convincing wealthy Adventists to pump money into his church projects.)

One of James Moore's hobbies was starting new corporations, some of which were nonprofit. But they all brought profit to Moore. Another of his avocations was giving things away. Not only was Moore good at getting money, but he knew how to give it—in a way that it seemed to come back to him. James Moore had learned that his gifts obligated people, and later he could use those people for various ends.

(Throughout the remainder of this study, in order to simplify matters, the names of the partnerships, corporations, and business firms will be italicized.)

One of these many firms was *Southern Equipment Company*, which Moore registered in the Grand Cayman Islands. In 1978, he gave all the stock in *Southern Equipment* to the Inter-American Division. This, of course, greatly enhanced his friendship with Folkenberg. One thing led to another; and, by the next spring, he had gotten Folkenberg to talk the division into placing part of the capital in *Southern Equipment* into a newly formed organization. According to records in the El Dorado County recorder's office, *Southern Equipment* joined with Moore on March 1, 1979 to, create *Kanaka Valley Investors, Ltd.*

From the best we can tell, that was one of three "Kanaka Valley" corporations that, prior to 1980, Moore started; but it was not the last. (The three pre-1980 corporations were named: *Kanaka Valley Associates*, *Kanaka Valley Investors, Ltd.*, and *Kanaka Valley Associates*, a joint venture. Theoretically, the Kanaka Valley was a prize tract of land.

On July 7, 1980, Moore started yet another; this one was called *Kanaka Valley Associates*, and it succeeded the previous three. The remainder of this two-part study will center around that organization.

Moore's plan was to attract investors. Each one brought in a sizeable amount of money. Overhead had a way of consuming part of that; so, when one investor gave up, there was always another to take his place. Greedy for riches, worldlings love to part with their cash. Moore obliged them.

We will not take the space to explain all the intertwining of financial connections, transfers, and backers. Indeed, attorneys and professional CPAs declare that there is no one on earth who can figure it all out! For years, Moore kept moving money, starting new partnerships and corporations, and attracting more investors while others dropped out or sued. But, in touching on a few high points, we hope to

provide you with a glimpse of the continuing turmoil that occurred as hopes were raised and fortunes lost.

*Kanaka Valley Associates* (which we will also call *Kanaka*), a Grand Cayman-based organization, began in 1980 with a 32.5% ownership by Henry Cavigli, of Sacramento, who put over \$250,000 into the wonderful new project. The other owner was James Moore, who talked himself into 67.5% ownership—without putting any money into the project. Now that is salesmanship! Those were the two founding general partners.

In 1983, Moore gave 32.5% of his share to *Southern Equipment* (totally Seventh-day Adventist) and 34.5% to *Taverners Investment, Ltd.*, another Grand Cayman corporation (totally Roman Catholic), which held a \$310,000 note written by Moore in 1980. Its director was Virgilio Levi, a high-ranking priest who lived in Vatican City. (At some point in all this, the Inter-American Division also entered *Taverners* as a joint shareholder with the Vatican.)

That left Moore with .5% of *Kanaka Valley Associates*. But he remained the only "general partner" in *Kanaka*; the other investors were all "limited partners"—yet Moore only owned one-half of one percent of *Kanaka*!

Gradually, amid all this corporate churning, Moore produced so many angry creditors, that a number of them filed suit against him. They demanded that he pay them \$45,000, which he owed them. Moore was accused of soliciting loans and either promising high rates of return or participation in real estate schemes—neither of which took place. So, in March 1984, Moore filed for personal bankruptcy.

*Kanaka Valley Associates* was also having problems. In 1986, *Northern Equities Company* was threatening to foreclose on *Kanaka* because it held a \$583,000 note secured by the *Kanaka* property, and was owed more than \$84,000 in back interest payments.

Fear gripped all hearts at *Kanaka*. If *Northern Equities* foreclosed, everyone would lose his share. Apparently, by 1983, Moore realized what was about to happen—and began giving away his part ownership to the Adventists and Catholics.

Interestingly enough, in the confused legality of the situation, only Moore (who still owned a half percent interest in the company while remaining a "general partner") had the right to declare bankruptcy—and save the money invested in *Kanaka* by its current four investors (all of whom were only "limited partners"). On October 22, 1986, Moore filed for chapter 11 bankruptcy on behalf of *Kanaka* in the federal courthouse in Sacramento. This would enable the company to reorganize and try to solve its financial problems.

The next week, Ramon H. Maury, treasurer of the Inter-American Division and officer of *Southern Equipment*, filed on behalf of *Southern Equipment* its claims against Moore's bankruptcy estate.

But, for what it considered valid reasons, both bankruptcy filings were rejected by the court. It considered Moore's filing to be especially "questionable." Too many peculiar transactions had taken place. The rejection meant that all parties involved would have to solve their problems outside of bankruptcy protection.

Moore moved quickly, and that month sold his remaining .5% to Elmer R. Malakoff for \$10,000. Malakoff was the principal attorney who had worked with him for years in arranging many of his complicated deals.

By this time, the situation had deteriorated so badly that creditors (who are outside the purview of this report) charged Moore with having committed fraud, theft, and misrepresentation. In June 1987, he was arraigned in the municipal court in Sacramento.

By this time, Robert Folkenberg and the Inter-American Division had good reason to suspect that Moore was not a man they should be working with! But there was always the hope that *Kanaka* would succeed. And, for some reason, Folkenberg had a special interest in Moore.

Convicted of fraud, Moore appealed the case, in order to avoid imprisonment. That appeal slowly wound its way through the courts.

That same year (1987), Robert Folkenberg left Central America and became president of the Carolina Conference.

Back in the states and always looking for new opportunities, Folkenberg learned of *Sharing International*, a Nashville, Tennessee-based nonprofit organization. Several Adventists had started it with the intent of funneling money through it for missionary projects.

Contacting the Inter-American Division, Folkenberg worked out an arrangement whereby the division yielded its interest in the Kanaka Valley property to *Sharing International of Tennessee*. *Sharing* now owned all the stock in *Southern Equipment* and part of the stock in *Taverners*.

(You will recall that, in 1983, *Southern Equipment* owned 32.5% of *Kanaka Valley Associates*, and Vatican-owned *Taverners Investment* owned 34.5% of it. At some point (probably as a gift from Moore), the Inter-American Division obtained part interest in *Taverners*).

It would have been far better to hand everything over—and just walk away from *Kanaka* entirely! But this was not done. Anxious to still get the money, Folkenberg had suggested the latest solution and it

was accepted. At that point, the Inter-American Division got out of the partnerships, and Folkenberg and the Tennessee group remained in it. From the very beginning in the 1970s, it had been Folkenberg who had gotten us into collusion with Moore and kept us there.

With the acquirement of Kanaka shares, *Sharing International* also gained a new president: Robert Folkenberg.

Now back to *Kanaka Valley Associates*: By 1988 and 1989, Cavigli (probably an Italian Catholic) had apparently given 10% of his share to Vatican-owned *Taverners* (this item is not clear on the records) while the 34.5% which *Taverners* owned in 1983 had, by 1988, melted to 11.17%.

Meanwhile, in 1988, Cavigli had given 22.5% to Robert Dolan, who had bought into the project by purchasing a *Northern Equities* note for \$732,000. Dolan, a Santa Barbara businessman and anxious to find a place to put his money, had also loaned *Kanaka Valley Associates* \$870,000 and paid more than \$150,000 to several unsecured creditors. In exchange for his \$1,752,000, Dolan became a general partner—with 55.83% ownership of *Kanaka Valley Associates*. We will discover that, of all the investors, Robert Dolan sank the most into *Kanaka*.

In 1988,—a year after Moore's fraud conviction and a year before his imprisonment, the Adventists and Catholics went in together on a new organization: *Sharing International of Barbados*. Here are some of the details of how this happened:

Faced with the very real possibility that he would go to prison, Moore decided he needed religion—he became a fervent Catholic. (He had earlier been a more moderate one.) However, it does not appear that this changeover modified any of his business principles.

Moore told *Sharing International (Tennessee)* that it should start giving money to Roman Catholic charities!

*Sharing* said it could not do this, but Moore persisted and Folkenberg got together with other *Sharing* officers to discuss the matter. For some unknown reason, it seemed very important that they please Moore; yet, to everyone but Folkenberg, "James Moore" was just a name. Consistently, it was he who urged the others to accede to Moore's requests. What was this strange power that Moore had over Folkenberg's thinking?

So it was decided that they should please a man who had filed for personal bankruptcy in 1984, for bankruptcy protection for *Kanaka Valley Associates* in 1987, and had been convicted of fraud that same year. *Sharing International of Tennessee* agreed to "compromise" by working out some kind of arrangement with Moore.

When *Sharing* officers sought counsel from a lawyer, he instructed them what to do. Although it sounded like something Moore would think up, he told them to start a second *Sharing International*, this one based in Barbados. Unlike the one in Nashville, this one would be a for-profit corporation,—and it would issue stock both to *Sharing International (Tennessee)* and to a Roman Catholic charity which Moore should select.

Why, in view of Moore's record and the Catholic connection, *Sharing (Tennessee)* would do this is astounding! But Folkenberg was insistent: James Moore was important and his wish should be granted.

The result was *Sharing International (Barbados)*. U.S. taxes could be avoided, Moore could be pleased, and the Vatican benefited. James Moore said *Vicariatus Urbis* should be the Catholic charity. It turned out to be owned by “the *Diocese of Rome*,” Italy!

One month before November 29, 1998 when Moore began his prison sentence, the interests in *Kanaka*, formerly held by *Southern Equipment* and *Taverners*, were transferred to *Sharing International (Barbados)*.

Keep in mind that, while both *Taverners* and *Sharing International (Tennessee)* had held stock in *Kanaka*, they were still separate corporations. But now the Adventists and Catholics were together in the same corporation (*Sharing International of Barbados*). I am sure there were some Adventists who wished they had not made Folkenberg the president of *Sharing International (Tennessee)*.

At this point, someone might ask, “Why did both organizations have the same name?” Very likely to keep the truth of what was taking place from Adventist donors. They would continue to donate to “*Sharing International*” and donation receipts would continue to be issued by it.

After Moore was imprisoned, Folkenberg was still involved (through both *Sharings*) with *Kanaka*. (To our knowledge, he was never president of the Barbados *Sharing*.)

In July 1990, Folkenberg became the 18th president of the General Conference.

At that time, he resigned his presidency in *Sharing (Tennessee)*; but, unknown to everyone but a few close associates (such as his attorney, Walter Carson), Folkenberg continued his friendship and contacts with James Moore.

In fact, three months after Moore was sentenced and three months before he was elected General Conference president,—Folkenberg tried to reduce

Moore's sentence! From somewhere, Folkenberg got hold of \$53,000 and offered to pay it to “make restitution” for Moore's offense in order to reduce the time he would have to spend in prison. The offer was not accepted by the court. Moore's attorney later stated that Folkenberg hadn't really done anything special, since the money came from extra funds in *Kanaka Valley Associates*.

It would seem that Folkenberg was trying to help his old friend; but Moore later came back to bite him with a vengeance.

Between 1989 and 1993, a number of transactions occurred back and forth between the two *Sharings*. A major one was on May 25, 1992, when all the shares in the Barbados organization were transferred back to the Nashville-based one. The second was on September 19, 1993, when the shares returned to Barbados. At that time, the Nashville *Sharing*, on a substitute basis, became a limited partner in *Kanaka Valley Associates*.

At about the same time that Folkenberg was elected denominational president, Peter Wardle bought into *Kanaka* with a \$2 million loan.

The summer 1990 to the end of 1991 were relatively peaceful years for *Kanaka Valley Associates*. But on January 1, 1992, James Moore was released from prison, and things started happening again.

In a later (1995) deposition, Wardle told a little of how Moore operated. He said that, early in 1992, Moore suddenly contacted him and demanded his (Moore's) share in the money from the \$2 million loan Wardle had made to *Kanaka*. Wardle had never heard of the man; and, upon inquiry, he learned he was a former shareholder in *Kanaka* who had just gotten out of prison!

When Wardle asked Moore what interest he presently held in *Kanaka*,—Moore replied that he held the *Sharing International* portion! (Really, now, did he? Think about it.)

Then Wardle learned that Moore was telling neighboring landowners in the *Kanaka* valley that he, Moore, was the owner of *Kanaka Valley Associates*, and Wardle was merely one of the “architects.” Checking further into the matter, Wardle learned that Moore had a bad reputation with El Dorado County officials. They said he had tried to bribe one of their officials.

Soon more money transferred hands, as Wardle loaned \$739,000 to *Sharing International (Barbados)* and two friends of Robert Dolan (John and Virginia Markle) gave another \$161,000 to the Barbados organization.

# THE STRANGE SAGA OF JAMES MOORE

**PART TWO OF TWO**

Continued from the preceding tract in this series

When Robert Dolan learned of this, he said some of Wardle's original \$2 million was owed him (Dolan). (Keep in mind that Dolan had earlier loaned \$870,000 to Kanaka, and had never been repaid.) Barbados replied by accusing Dolan of theft! Both Wardle and Attorney Malakoff agreed.

Since Robert Dolan figures so prominently in the ongoing dispute, it would be best at this juncture to review all the money he had placed in *Kanaka*:

(1) He had purchased a *Northern Equities* note for \$732,000, (2) loaned *Kanaka Valley Associates* \$870,000, and (3) paid more than \$150,000 to several unsecured creditors of *Kanaka*. That amounted to \$1,752,000.

Erelong, all five (Dolan, Wardle, the Markles, and Malakoff), plus Placer Title Company, were involved in several lawsuits.

If you are poor, be thankful. Just think of all the trouble that money will bring you.

On October 1, 1993, all the unhappy partners and investors in *Kanaka Valley Associates* got together and signed a very complex agreement.

Here are the parts of that agreement which concern us:

*First: Sharing International (Barbados)* agreed to hand over its portion of the *Kanaka* partnership. In return, it received two "nonrecourse secured promissory notes," in the amount of \$2 million and \$6 million. —If you have been following our earlier accounts of the January to March 1999 Folkenberg crisis, you will see immediately that this was a key transaction! For here is the "\$8 million" which, in Moore's lawsuit against our denomination, he charged Folkenberg, Folkenberg's associates, and the Adventist Church with having pilfered.

*Second:* Robert Dolan must here be mentioned, for he figures into the later Moore suit against the Adventist Church. At this same October meeting, it was agreed that \$276,000 should be given to James Moore by Robert Dolan, so Moore would not "interfere with, oppose, adversely affect, inhibit, impede, or influence the development and sale of the *KFVA* property." So now, Moore was legally out of *Kanaka*.

We will discover that Dolan would later claim that Moore and *Sharing International (Barbados)* owed him \$900,000.

Do you see the very interesting facts which are unfolding here:

For years, moneys had leaked out of the *Kanaka* project. New investors kept everything soluble. Then Moore was charged and imprisoned for fraud and theft.

During his imprisonment, the only new infusion of cash into *Kanaka* occurred in 1990 when Peter Wardle entered as a partner, with his \$2 million loan.

As soon as Moore was released in 1992, he immediately demanded that Wardle give him part of the \$2 million. How could Wardle do that, since he had given it to *Kanaka*? No matter; Moore demanded that part be given to him. Wardle refused to give him any money.

It should be remembered that, ever since 1984 (when he sold his last .5% to Malakoff), James Moore had none of his own money invested in *Kanaka*. Yet he had remained as a "general partner."

By the October 1993 settlement, *Sharing International (Barbados)* withdrew from *Kanaka*, and was given two notes in amount of \$2 million and \$6 million.

But, keep in mind that, based on Moore and Folkenberg's earlier urgings, *Sharing International (Barbados)* was jointly owned by Adventists and the Vatican.

Moore's 1993 agreement with Dolan bound him to no longer pester the *Kanaka* investors. Thinking it through, the only ones he could still intimidate were Folkenberg and *Sharing*.

Moore was always very careful to never speak negatively about his mother church, the Vatican, or its subsidiaries. According to his resumé, Moore had for years been an agent of the Catholic Church.

Robert Dolan continued to maintain that the Barbados group owed him a lot of money.

So that is where matters stood by November 1993.

Just prior to the October 1993 agreement, here were the owners of *Kanaka Valley Associates*:

- After several transfers, back and forth, *Sharing International (Barbados)* owned 21.87%. This, of course, was divided into a percentage for the Adventists and a percentage for the Vatican.

(You will recall that, in 1983, *Southern Equipment* owned 32.5% of *Kanaka Valley Associates* and Vatican-owned *Taverners Investment* owned 34.5% of it. But, by the end of 1983, it is not clear how much each Barbados partner owned. In his later suit against the Adventist Church, Moore claimed that

85% of the \$8 million belonged to *Vicariatus Urbis Foundation*, and only 15% to its Adventist partner.)

- *Sharing International (Tennessee)* was a limited partner. (The previous month, on September 19, it had returned its share to Barbados for reasons which we do not know.)

- Robert A. Dolan owned 27.92%. For all the money he had put into *Kanaka* (\$1,752,000), he had been reduced to only a quarter ownership (he originally had over 50%).

- In contrast, Peter Wardle had put in \$250,000 more than Dolan (\$2 million) and owned 50%.

- Elmer R. Malakoff had managed to pull up to 25%. Earlier, in 1989, he only had .5%, which he bought from Moore for \$10,000. In the interim, he had upped it somehow.

- John and Virginia Markle had 2%. That was all they got for their \$161,000.

Poor Dolan. He seemed to lose out on everything. While waiting to be repaid the \$900,000 that was owed him by *Kanaka*, he agreed to pay Moore and Malakoff \$210,000 as part of the overall agreement. Then there was \$256,000 loaned to *Kanaka* by Wells Fargo Bank; he paid that also.

By February 1994, Dolan was in deep trouble financially. His creditors were uttering terrible threats, yet the *Kanaka* group did not repay him the \$900,000.

Although Dolan had paid Moore and Malakoff \$210,000 as promised, they returned the favor by, according to his statement, forcing him into bankruptcy. (Elmer Malakoff was the attorney who had worked closely with Moore for years, to carry on his financial schemes.)

On February 23, Moore, Malakoff, and one of Malakoff's associates filed a petition to force Dolan into bankruptcy. But they did not serve the legal papers. This ruined his credit, so he would most certainly go under.

Dolan later claimed that Moore instigated that so he, Moore, could buy Dolan's interest in *Kanaka* and once again be a partner—and a major one.

Time passed; and when, in early 1996, Dolan's bankruptcy trustees began carefully checking into the matter,—they decided that the problem was not Dolan's, but that October 1, 1993 *Kanaka* agreement.

Investigating further, the trustees laid plans to file a suit against Moore, “the Adventist-related parties,” and others for breach of contract and fraud, with a demand for both regular and punitive damages.

Frightened at this development, Folkenberg and his Adventist group decided that they must at last sever their relationship with *Kanaka*. But they realized that they must do more.

In August, both *Sharing* organizations had Ben

Kochenower, a South Carolina accountant, sign a confidential agreement that turned over all financial interest in *Kanaka*, as well as the two notes for \$8 million, to Dolan. He responded by releasing both *Sharings* from all liability. Specifically, he released Folkenberg, his Adventist associates, the Inter-American Division, and all other Adventist-related organizations.

Well, that was settled. Or was it? What about Roman Catholic involvement in *Sharing International (Barbados)*? The \$8 million in notes was supposed to go to both groups, but Kochenower had signed the money over to Dolan.

In all of this, the Vatican and its *Vicariatus Urbis* remain in the shadows. Yet, according to his internet resumé (which we earlier reprinted in full), James Moore was a special representative of the Vatican.

Did Vatican officials speak with Moore, and urge him to go after the Adventists and cause them as much trouble as possible? We do not know. At any rate, that is exactly what happened.

James Moore began a program of systematic harassment. He claimed that *Vicariatus Urbis*, the Vatican charity, owned most of *Sharing International (Barbados)* and their secretary, Mary Ellen Bourque, had not signed the agreement to turn over that \$8 million to Dolan.

Moore claimed that he was “director, vice chairman, and agent” of *Vicariatus Urbis*, and that it owned 85% of the stock in *Sharing International (Barbados)*.

Angry, Moore threatened Walter Carson. In defense of the Adventist position, Folkenberg's close friend and attorney, Carson, wrote a letter to Dolan and the bankruptcy trustees, explaining their side of the matter.

Moore next turned to Dolan's bankruptcy trustees, to get them to hand over a sizeable chunk of money. (Moore claimed that \$6,800,000, or 85% of the \$8 million was due to *Vicariatus Urbis*.)

But the bankruptcy court turned a deaf ear to Moore. They had all the paperwork before them, and they decided he did not have a legitimate claim to any of the money.

Then Moore started in on Folkenberg. You already know what happened. Moore would phone Folkenberg several times a week. Sometimes he would demand this; other times that. When the phone calls were favorable to his cause, he would tape them—and ultimately amassed about 25 hours of tapes. Since it was illegal in California to tape phone calls without permission, Moore claimed he had a signed letter from Folkenberg, granting him permission to do that. Personally, I do not believe Folkenberg would ever have signed such a statement.

During these phone calls, Moore came up with a variety of deals which he offered Folkenberg, a number of which Folkenberg went along with. Because of his position as General Conference president, Robert Folkenberg was able to subtly swing a lot of business opportunities in Moore's direction.

So we had the president of the General Conference working with a convicted felon on business deals. This deeply bothered the brethren when they later learned of it.

We know of three specific areas of involvement during this time:

1 - One such proposed project was a joint venture of Moore with ADRA (Adventist Disaster Relief Association), our General Conference world relief subsidiary. Although most church members do not realize it, ADRA is actually an immense organization, with contacts and workers throughout the world field.

Moore suggested that Folkenberg get ADRA to go in with him on a joint telecommunications venture. The plan was actually presented to ADRA, but rejected. According to the later ad hoc committee's Summary Statement, a majority of the profit would have gone to Moore!

"Evidence shows that Elder Folkenberg attempted to influence ADRA to adopt a telecommunications venture that would provide some financial support of ADRA's programs, without disclosing that a greater financial benefit would accrue to his friend and business associate, Mr. Moore."—*Ad hoc committee, Summary Statement.*

2 - Folkenberg arranged for Moore to have access to Adventist and non-Adventist leaders throughout the world, so he could start business ventures with them.

"In order to assist Mr. Moore, Elder Folkenberg provided introductions to overseas Church and world leaders for the purpose of promoting private business ventures."—*Ibid.*

3 - Folkenberg began sending money to Moore. Some of it came from his own bank account and some from Adventist friends whom he confidentially told about his problem. He tried to raise nearly \$1 million, and actually sent Moore \$250,000.

"Under pressure and/or threat from Mr. Moore, Elder Folkenberg secured financial support from generous supporters of the Church and its mission to help cover Mr. Moore's personal business expenses. A total of one-quarter million dollars of personal and raised funds appear to have been forwarded to Mr. Moore to help cover his business expenses.

"Additional attempts to settle Elder Folkenberg's and Mr. Moore's differences apparently were made with an effort by Elder Folkenberg to raise first six hundred thousand dollars, later increased to nine

hundred thousand dollars."—*Ibid.*

4 - There was also a fourth aspect, briefly mentioned in the ad hoc Summary Statement:

"Certain Church donors were solicited for funds to help satisfy personal business needs, and it is said that they were informed about the purpose of these funds."—*Ibid.*

These funds, which Folkenberg solicited, were for himself personally. They probably included the \$20,520, carefully laundered by Ron Wisbey through the Columbia Union "Worthy Student Fund," which Folkenberg got in monthly payments for his wife and Al McClure's wife, until David Dennis, the head General Conference auditor made such a fuss, that the payments were terminated. If Dennis had not spoken up, those payments would have continued for years. (Folkenberg retaliated by firing Dennis on, what appear to be trumped-up charges, four years later in December 1994. There is more on this laundered money problem in the present writer's book, *Collision Course*, in which we examine a few of the charges David Dennis made against certain of our leaders. Ron Wisbey, Columbia Union president at the time, was handsomely rewarded for his service: Shortly afterward, he resigned from the Union presidency, and a new job was invented for him, "Liaison between the Columbia Union and Adventist Health System/Northeast, with nothing for him to do but collect a large monthly paycheck from AHS.)

- In addition to the above problems, the Summary Statement of the ad hoc committee also noted the ongoing business relationship of the General Conference president with a convicted felon as a problem.

"Elder Folkenberg's association with Mr. Moore, a convicted felon, went beyond the type of relationship that exists between a minister of the gospel and a parishioner. It continued through Mr. Moore's prison term. It included financial planning, some on a purely personal nature, and business relationships of various types."

- The Vatican connection also was considered by the ad hoc committee to be a problem.

"Assets designated to benefit both Adventist and Catholic activities and individuals were held or planned to be held in single corporations and/or assets."

- Yet another matter was considered by the ad hoc committee as being serious in nature. Folkenberg consistently refused to discuss the matter with other church leaders; and, when inklings of what was going on leaked to them, he refused to consider or take any of their advice.

"Evidence reveals that Elder Folkenberg did not inform his associates in administration about his dealings with Mr. Moore until litigation caused its disclosure.

“Documents reveal that Elder Folkenberg was advised to terminate his long-term business relationships noted above. He failed to do so, nor did he seek wider counsel on the matter.

“Testimony reveals that Elder Folkenberg was advised directly that, in his capacity as General Conference President, he should stand back from questionable personal financial involvements, on the grounds that they were incompatible with Church activities. Nevertheless, he proceeded.”—*Ibid.*

James Moore’s telephoned threats continued. We know that Moore taped the calls from 1994 to the late fall of 1998. He probably destroyed or erased conversations which might negatively implicate himself.

Not only did Folkenberg give Moore money from his personal bank account, but he spoke with five wealthy Adventist friends, whom he confided in. As noted above, the total amount sent to Moore amounted to \$250,000.

Yet Moore was still not satisfied. Some have questioned why Moore waited so long to file the lawsuit. We now know this:

1 - James Moore wanted to drag everything out as long as possible, in the hope of obtaining additional money from Folkenberg and his friends while obtaining still more introductions to business contacts in nations throughout the world. Folkenberg gave him letters of introduction to both Adventist leaders and the heads of nations! In view of the vicious way Moore dealt with people, that was a serious breach of trust on the part of Robert Folkenberg.

2 - Moore knew that, as soon as the suit against the church was filed, all his contacts with Adventist leaders throughout the world would be severed.

3 - Moore probably knew that, if it ever went to court, his case might be weak. The suit was based on Moore’s claim that he owned an interest in *Kanaka Valley Associates* in May 1983. According to Moore (as shown in his lawsuit papers), in that month he and the defendants agreed to exchange his rights for two promissory notes totaling \$8 million. These were to be given to *Sharing International (Barbados)*, which would then give 15% of its stock to *Sharing International (Tennessee)*, and 85% to *Vicariatus Urbis*. Is that claim true?

4 - Even at the present time, Moore would still not have filed the lawsuit—but the California statute of limitations would have run out on it the day after he actually filed it (because he claims to not have

learned about the alleged theft until about October 21, 1996).

5 - Moore continued to drag his feet in sending the lawsuit papers to Folkenberg and church leaders, until forced to do so by the court—which, in December, ordered him to either send those papers or have the suit declared null and void.

On August 21, 1998, the suit was filed. Ironically, the General Conference received Moore’s lawsuit papers on December 28—26 days after the General Conference filed a trademark lawsuit against a small group of Adventist believers in Florida. Church leaders agonized over the suit which they were on the receiving end of, but no one seemed to agonize over the misery they were causing down in Florida against humble folk who were committing the crime of calling themselves Adventist believers.

What followed is now history, and is more completely presented in our ongoing reports than anywhere else available.

See our web site, [sdadefend.com](http://sdadefend.com) for the complete report. It is also available in booklet format from us.

Before concluding this report on James E. Moore, whatever happened to *Kanaka Valley Associates*?

By 1998, Wardle was out of it, and both *Sharings* had canceled out.

Only three *Kanaka* partners remained: Robert Dolan and John and Virginia Markle. Dolan was the major partner.

*Kanaka* had nearly ruined his finances, his life, and his marriage, but Dolan was still in *Kanaka*. There is no doubt that, if the county ever did give the go-ahead, all the partners would become rich when the golf course was completed. But, so far, that has never happened. Why would the county want a golf course or subdivisions there? Either would require an immense amount of water.

If you ever stop by the Kanaka Valley on a hot, dry summer day, gaze at the parched, dusty live oaks, breathe the monoxide in the air floating up in smog from the valley below, and wonder why anyone would want to own such arid land,—call to mind all the gold that people think is buried there somewhere. Some folk believe it will be a new Sutter’s Creek. Perhaps they will find it someday.

Oh, that our people—both workers and laymen—would abandon forever their love of quick, money-making schemes, such as foreign exchange, special interest rate loans, and stock deals. —*vf*