

Osborne to California

PART ONE OF TWO

Please tell the investors to ask John not to do this. At this point, he may be able to repay them. But soon, it could be different.

A crucial meeting, yesterday (April 20, 1997), apparently finalized the matter. Here is the story.

But first, let us review some background to help clarify more recent developments.

For months, John Osborne promised that, if he did not obtain enough money by a certain date, he would not purchase the radio station. Indeed, he said that if he did not obtain the required \$5 million, God did not want him to have it.

But when that final date arrived, Osborne went ahead and bought the station on a heavy loan. All the money sent in by contributors was used as a down payment, and he embarked on payments of nearly \$3.2 million a year (*see box on the next page for details*).

But, gradually, his income slowed down. His erratic claims to being a prophet of God, his crude remarks, and frequent reversals of loyalty have lost him his following.

In recent months, John's 800 phone number was restricted, and later closed down entirely. On March 29, his satellite broadcasts apparently ceased. Many have since tuned in to hear them, but have failed to do so. Oddly enough, some have succeeded! The secret is to spend the holy Sabbath hours, flipping through the various secular and Protestant broadcasts searching for John! By doing this, several have found Prophecy Countdown. One says it is an hour-and-a-half in length. Another said it was only 30 minutes.

STATION REFINANCED

In a special March 1997 newsletter, John said he had been able to refinance the radio station. Henceforth, he would only have to pay decidedly smaller payments—so Prophecy Countdown was assured it could keep the station. If you have read our earlier reports on the Christian Science Church financial crisis, brought about by a few managers in Boston who were determined to spend that large denomination into bankruptcy, you know that the Maine shortwave station was the only one of their white elephants which they were able to recoup part of their costs.

We were told, by knowledgeable folk in Boston, that the station was only saleable for \$2-2.5 million; yet Osborne initially agreed to pay the asking price of \$5 million.

Little wonder that the bank, holding the mortgage, would do better reducing Osborne's payments than to take it back and try to sell it.

As it is, reduced payments will mean far more in interest payments, over a period of many additional years.

—Yet, since March, John has once again changed his mind about the desirability of the radio station! More on this later in this report.

INCREASING PROBLEMS

Gradually the workforce at Prophecy Countdown had been reduced. Osborne would become angry and fire workers. I was given the names of 22 people eliminated in one 12-month period, but did not publish it. A year later I was told about a similar num-

ber of workers eliminated. He is now down to less than a dozen workers, whereas he once had 45 or 50.

The whole thing is disheartening, yet John plunged forward into debt when he was repeatedly warned not to do so. He ousted excellent workers and offended his best friends. He declared himself to be a prophet of God, and that God had told him he must announce his prediction that the Seventh-day Adventist denomination would be destroyed by the end of that year. The next week he said he should not have uttered that prediction.

In November 1996, he said on his broadcast that he repudiated historic Adventism and no longer wanted to be called one. —And, he added, if anyone had a complaint about any matter concerning him or Prophecy Countdown, they were not to bother him.

THE LOANS

Then there were the loans, which were a major subject of complaint. But John does not want to hear about it. These were given, by the faithful, to John before he learned about the radio station. John had called for "investors," or "partners," to loan money to Prophecy Countdown. At least \$800,000 had been loaned to Prophecy Countdown, and it was paying out at least \$6,000 each month in interest payments to "partners" and those who had loaned on the "pool program."

But when, in mid-1993, John signed the agreement to buy the radio station, he stopped making those interest payments. That was nearly four years ago!

Eventually an earlier supporter and one of the lenders, Hilda Suarez, contacted an Orlando television station (Channel 9) about her problem and they sent out an investigative reporter (Todd Ulrich) to interview Osborne. We reported on this in detail in *Prophecy*

Countdown: November 1996 Update [WM-733-735]. In that interview, while the cameras rolled and later aired throughout central Florida (from Tallahassee to West Palm Beach, and over to Tampa) on three telecasts, Osborne, his wife, and Kathleen Greenfield assured the reporter that the loans had not been loans, but outright gifts!

That did not set too well with the Florida State Attorney General's office in Tallahassee when, tipped off by the Orlando television station, their Banking and Finance Department began checking into the matter and learned that *Prophecy Countdown* did not have a state license to deal in such investment transactions. (Channel 9 also shared, with that office, a copy of the "Promissory Note" *Prophecy Countdown* had given Suarez.)

There were dozens of other faithful Advent believers who also could not get their money back—either interest or the principal. Yet they had tried to do so for several years. (After alerting responsible authorities to what was going on, Hilda Suarez is now sud-

denly receiving her interest each month from *Prophecy Countdown*. Her phone number is 941-427-0061, if you wish to speak with her. She is an unhappy lady who gave John much of her life savings.)

A couple days ago, an elderly lady phoned me, from the central California valley, and pathetically asked if I knew how she might be able get her money back. It is pitiful. She pooled her money with that of two other elderly ladies in the state, and sent it to Osborne when he called for loans. They sent him more than a quarter of a million dollars (\$265,000, to be exact). To make matters worse, one of the three ladies had borrowed her portion, on the promise that Osborne would maintain steady interest payments and return the principal within a reasonable amount of time.

But that did not happen. As with so many others, they have not received interest payments for several years, and cannot get any of the principal back.

The lady who phoned me said that,

when they now phone and ask for their money back, they are told that there are not enough workers at *Prophecy Countdown* to do that; and the ones who are there do not have the time to write them a check. That is what she said they told her!

What was I to tell them? What would you tell them?

Within an hour afterward, I received another phone call. —And I nearly fell off my chair.

I learned that John Osborne was in California, dickering to buy a local Adventist Church!

Yet this comes at a time when, as far as most people know, the television broadcasts have stopped, the 800 line has been cut off, the incoming funds are nearly quenched.

What was happening? Here is a brief report:

JOURNEY TO CALIFORNIA

Recently, John Osborne, his wife Dianne, and son Wesley, went to California in the hope of buying a local Seventh-day Adventist Church.

THE SHORTWAVE STATION

The Christian Science Church needed to unload several costly facilities which should not have been built or purchased (see *The Christian Science Lawsuit—Part 1-3 [WM-515-517]*). The only one they disposed of successfully was the Scott's Corner, Maine, shortwave station (WCSN). The well-established Christian Science Church, with its 170,000 supporting members, could not afford the station and had to sell it. Built at a cost of \$7.2 million, Osborne snapped it up at the asking price of \$5 million while others waited for the price to come down to \$2.5 million.

John stated flatly on television that, if he did not receive the full \$5 million amount by May 16, 1994, he would give back all the money. But when less than half came in, he violated his pledge and contracted with the bankers to buy the station on a loan.

The donors had given about \$2 million (including jewelry, etc., which John was unable to sell at the time). John borrowed \$3.8 million, gave the \$2 million as a down, with the bankers getting a full 10% interest.

Because of the loan, the donors would be required to pay an additional \$3.8 million, with interest, within 6.86 years—in order to keep *Prophecy Countdown* from losing the first \$1.44 million to the bankers.

In addition, supporters would have to donate between \$1.8 and \$2 million each year to maintain the station and keep it on the air.

Prior to taking out the station loan, Osborne was already paying \$39,000 each month (with over \$6,000 each month in interest payments to investor "partners" who had loaned *Prophecy Countdown* at least \$800,000, as well as to those who had loaned on the "pool program.")

After taking out the station loan for nearly \$4 million, Osborne had to pay \$267,000 each month—or nearly 3.2 million a year (\$64,000 each month for principal and 10% compound interest on the \$3.8 million, 6.86-year loan; \$31,000 each month for their operating budget at the time; \$166,000 each month for Maine station operating expenses; more than \$6,000 each month in interest payments to the investment "partners").

On the station itself, after the loan on the station was contracted (which Osborne was repeatedly warned not to take out), each month \$64,000 had to be paid on the interest and principal, totaling \$768,000 each year.

The total accumulated interest to be paid on the loan was \$1,465,509. The total amount the donors gave was \$1,440,000—almost the same as the interest!

Prophecy Countdown had originally agreed to pay \$5,000,000 for the station; but, with the loan in place, it must give \$5,265,509 for the station—after already handing over \$1,440,000!

John told those church members that he needed to own the church so he could more easily be accepted back into fellowship with denominational leaders.

Yet the building he wants to purchase is not owned by the members meeting there, nor by the conference. It is owned by an Adventist who is letting them use it.

How can Osborne's purchase of the building win him a place in the hearts of conference, and other, denominational leaders, as well as the membership at large? At first, this news appeared very puzzling (as it did to a number of others who phoned me about it!).

But gradually a clearer picture emerged.

It was true that the building had been on the market a year earlier, but was not at the present time. Then Osborne journeyed to California, asking that it be sold to him. He said he wanted to be in a conference-approved church (which this one is).

The local congregation in question is the Angwin Village Church (*see box below*). It is located on Howell Mountain, about a mile or so across from Pacific Union College. Some of the faithful in the community attend it, because the only alternative is the large, decidedly Celebration-style, college church.

The workers at Prophecy Count-

down did not learn about the trip till about a week later. At the end of staff worship on Monday morning, April 14, 1997, Kathleen Greenfield broke the news to them—that John and Dianne were in California, trying to buy a local church. Accustomed as they were to shocking developments, they were stunned by this latest news.

A phone call the next day (Tuesday) to Angwin revealed that John was indeed trying to purchase the building in which a local Adventist congregation held their meetings, and that another meeting was to be held the next night at the Village Church.

THE WEDNESDAY NIGHT MEETING

Having learned that they were reticent about letting him buy the building, John announced, at that April 16 meeting, that he had changed his mind and only wanted to lease the building for a year rather than buy it.

He appealed to the members of the Village Church to grant approval to his request, declaring that he wanted to do it so he could get back into acceptance with the church leaders. When repeatedly asked why he wanted to do this, he cited that reason as the main one.

But he also gave a second reason. John said he needed to leave Florida.

At this juncture, one of the members asked John a pointed question:

“Why do you want to leave Florida?”

John spent the next 15 minutes replying to that question, all the while skirting the special reason.

What he did not mention was that he needs to get out of state as soon as possible, before the Florida State Department of Banking and Finance catches up with him.

Near the end of this report we will learn a third, overarching reason why John must move out of the state and establish a new organization in California as soon as possible.

Underlying John's request was a fact, understood by all concerned, that although they did not own the building, they would have to give their approval to a purchase or lease—or John would be working at cross purposes with both them and the conference they belonged to. This was the reason he needed their approval, prior to entering into an agreement with the owner of the building, even though they did not own the building.

Of course, he was also hoping to become their Sabbath morning pastor.

By buying the building they meet in, John might ere long become the pastor of a conference-approved church!

PROBLEMS IN FLORIDA

When, that same week, Hilda Suarez was told by a nearby friend

THE VILLAGE CHURCH

As worldliness intensified in the large Pacific Union College Church, some faithful believers started, what at the time was called, the Farm Church. In later years the name was changed to the Village Church. The financial (tithes and offerings) reimbursements were such that the Northern California Conference office gave its approval, adopting the group into the sisterhood of conference churches. The Village Seventh-day Adventist Church is a fully accepted conference church, not a conference company.

It meets in a building which formerly was a complex of small buildings (health food store, barber shop, etc.), but which the church members had renovated into a church building. Located at the Circle, on White Cottage Road, about a mile from the college, the church has about 112 members. Most of them are middle-

aged or older. There are relatively few children. All in all, it is a fine group of people.

In the late 1980s, John Osborne applied for, and received permission, to place his membership there. We assume that he pays some tithe there, and the Village Church sends some or all of it on to the conference office. But of that we are not certain.

However, the Village Church would have to support the conference financially, in order to retain membership in it.

A number of years ago, discomfited that Osborne had membership in the Village Church, a conference officer later met with their board and asked why. They told him that the PUC College Church, a mile down the road, had Desmond Ford on their membership roster, so they ought to be able to have Osborne on theirs. The officer had no answer to that, and left.

over the phone that John had gone to California to buy a church, she replied in shock, "How can he do this? He already owes so much? And he does not repay all the people he owes!"

As you may recall, Sister Suarez is the elderly believer in Florida who, in desperation at neither receiving interest on her loan nor a return of the principal, contacted Channel 9 in Orlando. It was that contact that started the wheels rolling for a Channel 9 investigation and notification of the Florida State attorney general's office of the situation.

There is a third of the four reasons why John would like to leave Florida. He has burned over the territory there. At one time he had a large attendance at his meetings. (It seemed exciting to attend meetings which were televised all over America.) But gradually, as folk learned what John was like, and kept listening to his self-magnifying sermons, they stopped coming.

Unfortunately, there is the very real possibility that, if he goes to California, he will burn that over also. John is John. We would hope for the best, but it may not work out that way.

For quite some time, the Florida state office tried to send John a letter, but he had refused it. So, a couple weeks ago, they sent out two officers who personally delivered the letter to him. What did it contain? We do not know.

Shortly afterward, John and his wife went to California, with the urgent message that he needed to leave Florida.

Do not imagine that the state office has dropped the matter. They are very much on the case and, gradually, more and more of Prophecy Countdown creditors are contacting them.

It is said that John will try to sell the trucks (Joshua and Caleb), convert them into cash, and leave the state, so the creditors cannot get any of it. Of course he could also repay a large

share of the creditors with that money, but that is less likely to happen. Unfortunately, John's pattern is to go out and buy something else rather than pay off what he already owes.

THE SUNDAY NIGHT MEETING

At that Wednesday night meeting, the ramifications of John's request were so serious and far-reaching that the members felt they must consider the matter further. So another meeting had been called for Sunday evening, April 20.

As you might imagine, many people in the Village Church had been praying. It was understood that Sunday night would decide the matter.

When John and the members convened for the meeting, a number of things were discussed and a variety of information was obtained from John. Let us consider some of these remarkable facts that John disclosed:

- John had changed his mind for a third time in a week. Fearful that he might be turned down, he now declared that he did not want to buy or lease the church building. All he asked for was to be able to operate the cameras and televise the services, as well as, by the way, perhaps helping out in the services somewhat.

It was clear that John was desperate to get out of Florida. He was willing to just be the cameraman of a rather small church.

- John said that, upon arriving in the area, he would get his own building to house his equipment.

It is an intriguing fact that John always selects areas with the highest-priced property values, in which to locate. The Orlando area in central Florida was one such area; Angwin and the Napa Valley below it is another.

The present writer was once a conference pastor in that general area and is well-acquainted with it.

Property values are sky-high in Napa County for three reasons:

(1) The climate is remarkably pleasant, both summer and winter. Sonoma Valley, to the west, is a little cooler while the central valley to the east is very hot in the summer.

(2) Angwin itself, nestled in the mountains just above Napa Valley, has an approximate elevation of 1,600-1,800 feet and, in the winter, is above the overcast skies of the valleys below. The weather is outstanding, lacking the dampness of Florida.

(3) Napa Valley has an ideal climate for wine grapes, and so do the slopes of the mountain by PUC. There is a lot of wealth in Napa County, and it is reflected in the price of homes, and even raw land.

But John seems to always select those areas, in which to settle, which have high property values. Then he sets to work raising money from supporters to buy one building after another in that area.

One acquaintance, who lived there only a few years ago, told the present writer on the phone this morning that a person could spend half a million dollars for a house in that area and still only have a rundown building.

But there is still more that John told them that Sunday night:

- John is still broadcasting on satellite when he has money to do so. These are generally up to 1½ hours in length on Sabbath morning; but, because they receive no prior announcement, viewers will have to hunt for the sending channel.

- John is still broadcasting on shortwave radio, but it is on half-power and half-time.

- John is trying to sell his home in Florida.

- John said he would be bringing the trucks out with him.

- John did not discuss where he

Continued on the next tract

More WAYMARKS - from —

PILGRIMS REST

HCR 77, BOX 38A - BEENSHERA SPRINGS, TN 37305

“The Board of Prophecy Countdown has chosen to stop identifying this ministry, and ourselves, as ‘HISTORIC Seventh-day Adventists.’ We are simply SEVENTH-DAY ADVENTISTS!”—Signed statement by John Osborne, March 1997, Prophecy Countdown Newsletter, page 6 [full caps his].

Osborne to California

PART TWO OF TWO

Continued from the preceding tract in this series

would live in the Angwin/Napa Valley area, if the church members approve his request to come to that church to televise its services.

Aside from cross-continent moving expenses, it will take a lot of money to move into the Napa area. John has a present staff of about a dozen people, which is about as small as he can get with the ramifications of his operation. Where will he house them all? Property values in Napa County, California, are probably higher even than Orange County, Florida.

- John said he has put the short-wave radio station on the market.

- In response to questions, he said Prophecy Countdown did have some equity in it, but only if it sold for a fairly good amount. One problem here is that John overpaid when he bought it. John agreed on the asking price of \$5 million for a station which was built at a cost of \$7 million, and which others were waiting to come down to \$2 million before dickering for it.

- In response to questions, John said he intended to repay all the lenders.

But going on a buying spree in Napa Valley real estate is not the way to do that.

- Prophecy Countdown has recently added a second board! As you may know, the small controlling board consists of John, his wife Dianne,

Kathleen Greenfield, Patty Edwards, and Dr. Al Scott.

But there is now a second board; called an advisory board, it consists of between 16 and 20 influential people in the denomination—primarily church leaders!

Obed Graham, president of the Florida Conference until his recent retirement, is chairman of the Prophecy Countdown advisory board. Malcolm Gordon, president of the Southern Union of SDA is also on that board. Many other churchmen are on it.

We are told that John wanted some of these men to be on his controlling board, but they feared to assume the fiscal responsibility that would entail, as long as John was making the key decisions.

At the Sunday night meeting, John listed all the members of this advisory board. One person who was present thought the total advisory board membership totaled 16; another thought it was 20.

—So, as you can see, a lot of information was gleaned from John that Sunday evening.

VILLAGE CHURCH REQUIREMENTS

As for the Village Church members (40 voting members were present that night), they set forth strait jacket stipulations and John agreed to them:

- If John was to be permitted to come, they would allow him to video-

tape their services.

- The speakers at the services would be chosen by the board of elders, just as they had done in the past.

- No lease/buy arrangement on the building would be involved.

- Recognizing that John's track record was not the best, they could at any time ask him to leave, if he did not cooperate with their wishes.

John said he was willing not to be the preacher, but was hoping they would let him preach at times.

As we said before, only desperation could cause John to want to move to California, so he could become a camera operator.

He said he might do some traveling around. (If John wanted to travel around, he could find far less costly property in many other rural areas of the nation to work out of.)

- For their Sabbath School classes, they told John they would continue to use the denominational Sabbath School Quarterly.

- They told John that they had already been planning to have a wide variety of special guest speakers in the coming months, possibly including Ralph Larson, Ron Spear, and John Grosboll.

To this, John replied that the Sabbaths any of those particular men were present, he would be somewhere else.

This, of course, is a veiled threat; either you do it my way, that is, let me control the speakers at the Village Church or I will pull my cameras out and not broadcast those particular meetings. This hints at coming efforts at a takeover. John is not going to last at the Village Church, but he will not realize it until asked to leave.

I am told that many (probably a

“The fact is, what some have written about Prophecy Countdown and WVHA is totally baseless, and without a clear understanding of the facts of our financial circumstances. Wild scenarios and dollar amounts have been tossed around to suggest that the writer has an inside ‘grasp’ of our situation. But NOTHING could be further from the truth! They are so far out in left field, it’s hard to even know where to begin in refuting their ridiculous accusation—so we’re not even going to begin!”—Signed statement by John Osborne, March 1997, Prophecy Countdown Newsletter, page 6 [full caps his].

“Everything you wrote in that newsletter was completely accurate. I read it all very carefully, and gave it to ___ who also read it carefully. He also said it was totally correct. The only exception is the total loaned by supporters should probably be higher.”—Statement made over the phone to the present author, by one of two former board members of Prophecy Countdown, after he received Prophecy Countdown: November 1996 Update [WM-733-735]. Both were on the PC board during crucial recent years.

majority) of the folk at the Village Church are well-aware of the dangers, and will be on the alert for trouble.

Why would John not like such men as Larson, Spear, and Grosboll? The truth is that, in the past, they have offended John, either by reproving his wrongful conduct or by not choosing to continue raising money for his expensive projects.

For his part, John will be busy for a time buying California real estate as a base of operations. Then, finding the Village Church too confining for his style, he is likely to start a separate work elsewhere.

At one point in the meeting, it came out that the current president of the Florida Conference has stated that he will not allow Osborne to have any part in the denominational churches in Florida; whereas the president of the Northern California Conference (Darold J. Retzer) has said that he will not support him, but will not fight him if he comes to the Village Church.

THE ONGOING INVESTIGATION

At another point, the matter of the Channel 9 exposé in Orlando was mentioned. John said something like this: "Don't worry about that; Channel 9 was only trying to get their ratings up."

But the matter is far more serious than a ratings game. Channel 9 TV has investigated a number of religious, business, and governmental operations in Florida, frequently resulting in criminal actions by Florida State.

One individual was a self-proclaimed Christian who had a radio talk show in Florida. A Channel 9 investigation delved into his hiring of a hit man to kill his wife. Government prosecution followed.

Another was a Florida Pentecostal evangelist heard in America and overseas. He had \$50 million in donations in 1996 alone. Channel 9 uncovered a problem with his bank account, as mishandled by a key associate. A government case followed.

Then there was the pastor of a large Baptist church in Florida. He frequented night clubs and strip joints, and Channel 9 got on the case. He was put out of business, but tried to start another ministry. Then molestation of

youth was disclosed. Charges were filed for both cases.

Yet another case involved Florida public schools. Money was being diverted to big salary increases for a county superintendent, when the local schools were badly in need of repairs. In response to the Channel 9 report, the state office jumped on the case.

It is foolish for John to say that Channel 9 was merely carrying on a momentary rating improvement project. It gets investigations started.

You should know that governmental authorities perceive that a very real problem exists at Prophecy Countdown. This is no laughing matter. The Florida State Department of Banking and Finance, Orlando office, is investigating the matter (407-245-0760), following the Channel 9 exposé. If you do not believe this, call them.

John needs prayers, not boasting, at this crisis in his work.

THE FINAL VOTE

At this juncture in the Sunday evening meeting, it was getting late and the church needed to vote on the matter. Some of the members were dead against the idea of letting John come. Others were very much for it. Still others were apprehensive yet feeling that, since he seemed repentant, they should let him come. Did he not say he planned to repay the investors?

When the vote was taken, 28 voted in favor of letting John come and 12 voted against it. One family which voted against it felt crushed. They really thought the Village Church would not let it happen. Another family which voted in favor expressed the hope that something good might come of it. They said they are praying that John has really changed.

After receiving approval to move to the Napa area, John and his family visited his brother in Sacramento, preparatory to returning to Florida.

But, upon his arrival back at Rolling Hills, John still must deal with a host of creditors—faithful Advent believers who would like their money returned, as well as the attorney general of the State of Florida who, through the Department of Banking and Finance, is investigating the matter.

THE PAST EXPLAINS THE FUTURE

What will the future bring to Prophecy Countdown? We can better understand the future as we recall the past.

John started out in the Naples, Florida, Seventh-day Adventist Church, as a church worker preaching on television.

Then he moved to Umatilla, Florida, and brought Obed Graham, Florida Conference president, onto the board of Prophecy Countdown. But gradually Graham stopped attending the board meetings, as he saw where John was headed. Up with the Church.

Then John moved to Rolling Hills and began vigorously preaching against the denomination. Down with the organization was his message.

Suddenly, in 1987, John flipped the other way and said he renounced his former bitter denunciations of the denomination. He published, in his newsletter, that anyone who sent tithes to any source other than a denominational church was inspired by the devil. Up with the General Conference.

At the time, it was well-known, among John's close friends, that his objective was to gain conference ministerial ordination.

This situation continued for two years, and then John grew impatient at the delay. Church leaders were not accepting him with open arms. Frankly, they recognized his inherent instability and were biding their time.

So John jumped once again. In 1989, he began still greater vitriolic attacks, calling the denomination "Babylon." Down with those evil men.

The next turnabout came in 1996, when John said he had been in the wrong and wanted to return to the denomination. He said that he renounced "historic Adventism," and no longer wanted anything to do with it.

Just now he continues in that mode. What will the future hold? If church leaders do not wholeheartedly accept him, John will probably reverse his position again within a couple of years. The seesawing will continue.

Dudley Marvin Canright did the same thing. If you will read the present writer's study on that subject (*Canright [DH-201-205]* now in our *White*

Tractbook), you will learn that he was an excellent speaker and evangelist who flipped back and forth several times between defending the denomination and denouncing it.

We earnestly pray that the final end of John will be far better!

HOW JOHN CAN REPAY THOSE LOANS

John asked his faithful supporters to trust him with an immense amount of money, so he could buy the transmitting trucks (Joshua and Caleb).

They loaned him at least \$800,000 for this purpose, at 10% interest. Each lender was also given a duly-signed "Promissory Note," stating the amount loaned, acknowledging that it was a loan, promising to pay 10% interest in monthly installments, and assuring them they could redeem the principal whenever they so desired.

Prior to taking out the radio station loan, Prophecy Countdown was regularly paying over \$6,000 in interest payments to those lenders.

(In addition, John owes a massive amount of money to donors who gave nearly \$2 million on his pledged word that it would be immediately sent back to them in May 1993, if he had not taken in \$5 million for the radio station. But that amount, not classified as a loan, is probably lost.)

But, since mid-1993, Prophecy Countdown has stopped paying the interest payments on the loans, and refuses to return the principal.

John's organization owes hundreds of thousands of dollars to faithful Advent believers. Is there no solution to this problem?

Yes, there is.

The present writer has, in print, questioned whether Prophecy Countdown, because of its high-spending practices, owns anything free and clear. We wondered whether Prophecy Countdown still had title to the trucks (Joshua and Caleb).

But in his most recent newsletter, John said Prophecy Countdown did indeed still fully own the trucks!

"Let me be perfectly clear—we have NOT misapplied ANY funds, nor have we MORTGAGED Caleb & Joshua. And furthermore, we

have our auditor's WRITTEN CERTIFICATION of this."—*Signed statement by John Osborne, March 1997, Prophecy Countdown Newsletter, page 6 [full caps and corporate ampersand his].*

As for the first part of that quotation: No financial papers submitted to any auditor would disclose John's solemn promise to return nearly \$2 million to the donors if a free and clear purchase of the radio station could not be made by May 16, 1993; followed by his misapplying of that money, in spite of many protests, on a down payment.

But our concern here is with the second part of the above quotation. According to John's own statement, *Prophecy Countdown does retain complete ownership of the two trucks!*

Those trucks were the best in America, and even though now two and a half years old, would still have a likely resale value of between \$750,000 and \$1 million. Keep in mind that, not long ago, they were better than the best available.

—This resale amount would be sufficient to repay, in full, the principal due to the lenders—if it is only \$800,000. (However, as indicated on the bottom of page 5, a former board member believes the amount of loans may total very much higher.)

If you knew that you owed hundreds of thousands of dollars, and had the assets available to pay them, would you not do so? Would not any dedicated Christian do so?

However, the stern realities of the present situation pose an entirely different scenario:

Within one week's time, while conferring with the Village Church board, John changed his request three times (from building ownership, to lease agreement, to just letting him be the cameraman).

It is clear that John is desperate to get out of Florida as soon as he can. Earlier in this report, three reasons were listed why John wanted to leave Florida. The fourth—and most urgent—reason why he must do so is to get the trucks out of the state as quickly as possible, so they will not

be seized and the proceeds given to the investors.

One might ask why he does not drive them up to Georgia and park them there?

Driving them, even to the West Coast, would not be as useful as registering them to a firm which has its legal headquarters in California! This might explain why John went to Sacramento as soon as he left Angwin. He needed to start a new nonprofit corporation in that state. Not a branch of an out-of-state corporation, but a local corporation with headquarters in California. Doing so might close the Florida case against him. (But it would also require closing down one corporation entirely and opening up another from scratch, and will involve significant documentary changes with the IRS.)

JOSHUA AND CALEB

Everyone at Prophecy Countdown refers to them as "the trucks," so we will use that name for them.

By late 1992, John was no longer satisfied to broadcast from central Florida; he wanted to travel around the country and be able to conveniently broadcast from local independent churches and camp meetings.

By April or May of 1993, he was negotiating with an electronics firm in Texas. John, Dianne, and Kathleen went there and were given a tour through the plant.

Worried lest he not be able to get "his trucks," John told his supporters that, if they merely loaned him the money, he would faithfully pay 10% interest on the loans, and, of course, eventually repay the principal.

This brought in a lot of money.

Only the best equipment in America—the world leader in electronics—was good enough for John. Money was no object. He told the Texas firm to spare no expense to make this custom-made mobile broadcasting facility the best and most up-to-date available anywhere. They agreed to this, and a lawyer drew up an agreement. The trucks were purchased at an initial cost of about \$1.5 million. Construction began.

By early fall, the trucks were essentially completed. *John was told*

that there was no other mobile broadcasting rig like this one—anywhere in America! None of the television stations had such an advanced mobile facility. None, anywhere.

But then a mistake was uncovered. The lead vehicle (not the trailer) had been built with stacks of electronic equipment, consisting of about 40 bays on the back end, which extended some distance behind the rear wheels. The control room was in front. The engine selected to haul the Caleb/Joshua units down the road was adequate in size, but not heavy enough to offset the immense weight on the rear end. On bumpy western roads, the front end could lift off the ground.

In the interim, leaders at Prophecy Countdown also realized that, if the control room was switched to the back, they could use it more easily to make videos.

So the Texas firm was told to switch the two around. This cost about a quarter of a million dollars, and involved extensive refitting. Keep in mind that the advanced state of the equipment made the whole project somewhat experimental in connections and installation. But this only increased the overall expenses.

By this time, about \$1.75 million had been invested in the trucks.

John celebrated by taking the trucks up to a Thanksgiving Week Celebration at Hiawassee, Georgia. This was in November 1993.

One Prophecy Countdown leader, who was present at the time, said it was a very impressive sight. A great majority of the independent ministries speakers were present and on the platform. A strong sense of unity was felt; but, then he added, by December the concept of “our trucks” had changed to “my trucks.”

Although the other ministries had worked closely with John, urging their own supporters to help give for the purchase of the trucks, John’s attitude had hardened. Then came their joint efforts the following early spring to help John raise money for the radio station, but he began declaring that, when erected, it would be his station, under his control. Having rejected their appeals, made at a meeting in

southern California, everything broke apart.

The proudest moment for Rome came with the construction of St. Peter’s, but it also marked the beginning of the end for that organization (*Great Controversy*, 127).

In a sense, John’s high point came at Hiawassee. He was the leader among the independents and, henceforth from locations throughout the continent, his face would beam down on television receivers everywhere.

But the acquirement of those trucks marked the beginning of the end, and for two reasons:

First, his obsession, to gather to himself that which others had helped him obtain, began losing him the leaders of the other ministries.

Second, it was the investors who paid for those trucks! And the crisis over repayment of those loans now threatens to close him down entirely.

For example one family, living on the west coast of Florida, lent Prophecy Countdown close to \$300,000. They have pled for their interest and a return of the principal, and threatened to take the matter to court.

THERE IS A SOLUTION!

Yet the crisis does not have to end in this way! John can remain in Florida, sell the trucks, and perhaps have more than enough to repay the lenders.

He might also have enough to repay part or all of the accumulated interest on those loans (based on an \$800,000 figure, \$6,000 a month x c. 42 months = c. \$252,000).

Then he can continue on in Florida with his ministry, unhindered by the state authorities. Yes, it may be somewhat more modest in size (as it already is), but John can succeed. Going to California will require a very large outlay of money, and will not close the case Tallahassee is building against him.

GETTING READY TO GO

As we conclude this article, we learn that five families will be going to California. The five may or may not include John’s family, which will also be going.

We are told that none of them (with the probable exception of John) has

the money for such a move and resettlement. But he probably will not dip into his personal resources. Instead, the total cost will probably be borne by Prophecy Countdown.

The expense of moving those five families will be immense. The cost of providing them with separate homes (purchased or leased) in Napa County will be far greater!

Tell the investors to ask John not to do this. At this point, he may be able to fully repay them. But moving to California will obviate that; he will then have only the trucks and would refuse to part with them.

In addition, moving the trucks to the other side of the nation and transferring ownership to a California-based organization might make it more difficult for the lenders to recover their money and interest.

These are serious matters. Some may say that we should do what is best for John. I say we need to give attention to those little widows also. Indeed, would you not say that their interests supersede his? He is young and strong and has enough in the bank to take care of his needs while others who trusted him are in difficult straits. We are talking about life savings which were loaned; they ought to be repaid, if at all possible.

If the investors need further information, ask them to call Howard Anderson at 904-734-8874.

Think not that John will ever be able to repay the loans later from future preaching successes. He will not; his erratic claims, remarks, and reversals have lost him his following. In addition, a massive amount of money will have to be spent to resettle him, his staff, and organization in Napa County.

John is a man, searching for a future, who needs to repay his past. He needs to pause for a short time, take stock of the situation, and settle his accounts. Then he will be prepared to proceed forward again with renewed energy, carried along by his driving objectives.

More WAYMARKS - from —

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