

The Crisis at Prophecy Countdown — Prophecy Countdown: November 1996 Update

PART ONE OF THREE

Sabbath meetings at the Rolling Hills Church were sure to be special. John Osborne, the pastor, had said so at the meeting the night before.

And, when Sabbath came, the meetings were indeed breathtaking.

On television and over shortwave radio, John Osborne, his family, and nearly all his members (which included most of his staff), made their decision to re-enter the Adventist denomination, and be subject to whatever requirements were imposed to achieve that objective and have peace with the brethren. (See companion tract set, Reply to Santee [WM-736-738].)

THE NOVEMBER 16, 1996, SABBATH MEETINGS

By prearrangement, the special speaker that morning was Willard Santee. Some of our readers may recall him. He carried on an independent ministry back in the early 1980s.

At John's special request, Willard had come to bring John, his viewers, listeners, and staff back into fellowship with the General Conference church. (By this we mean the Seventh-day Adventist denomination, with headquarters in Silver Spring, Maryland.)

John was concerned that as many people as possible be present for these special meetings, and his usual church meeting room is quite small; so he set up a tent outside his headquarters in Mt. Dora, Florida, and filled it with enough chairs to seat about 250. One who attended that meeting said that 50 or more may have been present that Sabbath—far more than are generally in attendance. But, because of recent events (mentioned later in this study), they had good reason to attend.

The tent, rented for this occasion, was placed in

the large east parking lot, in front of the Proctor and Gamble building. Visitors could both park around it and in the other parking lot on the south side.

In the morning service, Willard Santee, a Seventh-day Adventist minister employed by the Oregon Conference, spoke of his own experience. He told about how, in the early 1980s, he had drifted away from the mother church because of something he did, and, as a result, was lonely and unhappy.

He said that his mistake had been in speaking up when a fellow pastor fell morally, but was not discharged. Santee's voiced objections so irritated conference leaders that, when campmeeting time rolled around, he was not among those scheduled for ordination. Shortly afterward he was eased out of the ministry and, for a time, carried on an independent preaching ministry.

But he said that he no longer had joy and peace, for he had become separated from the organization. He was unemployed much of the time, and he repeatedly stated how this disturbed him deeply.

While in this discouraged state, Stanley Folkenberg, now deceased (and father of Robert Folkenberg), came to Willard's house and asked him to attend a series he was going to give on the Sanctuary message. Arriving at the meeting, Stanley Folkenberg put his arm around him and sat beside him for a few minutes.

This, Santee said, made him happy once again. This convinced him that he had been in the wrong for having earlier repented sin. When conference officials found Willard had made a 180° turn, he was taken back into the ministry.

Initially sent as a pastor to a congregation in Pennsylvania, he was later called to the Oregon Conference to head up a special new project which now takes

**We must ever stand for the right, and when necessary reprove the wrong,
or we will perish.**

**Connection to a group is not to be given priority over obedience,
by faith in Christ, to the Word of God.**

**We are saved by Jesus Christ, not by organizational relationship.
Wherever we are, we must maintain our principles if we are to remain.
And, wherever we are, we must protect our children.**

him to many places. Santee was given a new title, “*Minister of Reconciliation*.” His assignment was to find those who, like himself, had left the organization because of its lowered standards—and, using a special unscriptural teaching, urge them to come back and reapply for church membership.

Santee’s strange messages were broadcast by television and shortwave, from John Osborne’s Rolling Hills Church during a series of meetings on Friday evening, Sabbath morning, and Sabbath afternoon, November 15-16, 1996. But it was the Sabbath meetings which made the greatest impact.

John Osborne wanted that message broadcast live, so it could reach, and be accepted by, historic Advent believers throughout the United States and elsewhere.

WILLARD SANTEE’S CALL TO RE-ENTER THE CHURCH

The Sabbath messages, given by Santee that Sabbath morning and afternoon, will be found in the companion tract set, *Reply to Santee [WM-736-738]*.

In brief, Willard’s message was essentially this: Every separated Advent believer (even though he has been disfellowshipped or forced to leave the church because he stood in defense of our historic beliefs)—must return to his local church and conference, submit to the authority of the leaders who disfellowshipped him, agree to no longer speak against error or defend truth, but instead only pray for those around him. If he does not do this, he will be lost.

In addition, when he returns he must keep his mouth shut, and never again reprove error. Any such troublemaking will keep him from remaining on the church books. —And he can only avoid the Mark, receive the Seal, and go to heaven if his name remains on those tent rolls!

He explains that we no longer need concern our-

selves about sin in the organization, for it alone is the remnant. God will remove all the problems in the church at the time of the National Sunday Law when, presto, the church will be restored to perfection. The organized church body (apparently with all its agencies, hospitals, and all the rest) will then go through to the end. At the coming of Jesus, only those in the organization will be translated.

Willard said that he had been given a revelation from God. He saw a big circle, and the liberals were on one side, and the conservatives were on the other. But both were concerned with unimportant trivia, and would eventually split off. The only safety was to get in the center with the organization and its leaders! There you will find safety. That is the only place Jesus wants you to be.

Willard said he, himself, had to work hard to get back into the church, and that those listening to him in the tent and over shortwave might also have a difficult time being accepted by the leaders. But it would be worth it, since it was the way of salvation. They should cooperate with every request of the leaders, and offend in not the slightest way. Above all, they should learn to keep their mouths shut.

Willard must surely have been doing it. He has been employed by the Oregon Conference all through the years that Oregon leaders have been at the forefront of urging Celebrationism and training pastors in how to do it. Since 1987, in no conference west of the Mississippi, have historic believers received rougher treatment and more strong-arm disfellowshipping from church pastors—than in Oregon. At the best, Willard has kept his mouth shut; at the worst, he may have kicked out his share of members who pleaded for a return to our historic beliefs.

Willard Santee gave this message in an appealing manner. Sometimes he would seem to almost weep; at other times he would smile warmly. A viewer could

SHOULD I GET OUT OF THE CHURCH?

Your first concern should be whether you are right with God and, by faith in Christ’s enabling merits, obeying His commandments. One’s personal relationship to God must always come first. Second, are you being kind and helpful to those around you, in your home and outside. Are you representing Jesus to them?

Third, are you able to fellowship with other Christians of like nominal faith? That depends on your situation. Are you able to help those in your local church by your being a part of it? We hope you are able to do so, but there are instances in which the local church, or churches, in your area have isolated you—whether or not you attend. They no longer want what you have, and only scorn you when you attend.

But yours may be a situation in which, although you are shut out from instructing in Sabbath School or church, you are still able to help others before and after church. In such a case, you do best to be there, if you are physically able to do so.

But you may have children who are being influenced toward a wrong course of action by being subjected to those influences.

What is spiritually best for you and for others? This is the test to apply.

No one can tell you what you should do; they can only point out the above principles. In prayer, as you read God’s Word on your knees, and plead with Him for counsel, you will have the answer. But it will not necessarily come at once.

And later, circumstances may again change; God will present you with different answers.

almost anticipate the feeling of the warmth, as church leaders prepared to enfold their arms about him.

But, by accepting the precondition of silence and submission to church authority, one is regaining membership at the cost of compromise, and very possibly, eventual apostasy from the truth!

During the Sabbath morning meeting, Santee told his own experience, and, in two later meetings, amplified on his theory that God only intends to save those who are on the church books.

Then, at 4 p.m. that afternoon, Santee gave an altar call. This was a very specific call. He asked that everyone who wanted to return to God—*by returning to the organization*—to walk to the front. Those who did not do so would be lost.

Leading the way down the aisle were John Osborne, his wife, Diane, and their son. Following their lead, nearly every other member of the Rolling Hills Church went forward. One who was present that afternoon, said there were more than 50 in the tent; and, although a few walked out or remained in their chairs, everyone else came to the front.

JOHN GIVES THE RESPONSE

When about 90 percent of the audience had come to the front and Santee had given a prayer, John Osborne went to the microphone and declared in definite terms to historic believers, in far away places, his commitment to return to the organization:

“All that I know is that I want to be in God’s church. I want to be a Seventh-day Adventist, a true and faithful Seventh-day Adventist. I don’t want to be a reform Seventh-day Adventist. **I don’t want to be a historic Seventh-day Adventist.** I want to be a Seventh-day Adventist. Okay?”

“And those of you who hate me, just don’t call. Just take your anger out on something else. Okay? If you want to stop supporting us, stop supporting us. Yes, please. It’s a free country.”

Shortly afterward, he said:

“I’m just going to ask Elder Santee, if he will be a Stanley Folkenberg, and lead me back to God’s church!”

He then gave him a lengthy embrace. By that time, John was weeping so much, Santee gave him a handkerchief to dry his eyes with.

It was clear that the order of service had been carefully planned in advance by John. It is also clear, from something said earlier at the podium, that those in the tent that day were as surprised by the call to return to the denomination, as were many who viewed or listened to the meeting at a distance.

The tent had been flapping somewhat in the wind and, just before Santee’s final sermon of the day, John, with a broad, reassuring smile, said:

“A lot of things have been blowing this tent, and a lot of little groups talking; a lot of people talking; a lot of things I’ve heard. I’ve heard people saying,

‘Is he [Santee] saying we’ve got to have church membership in order to be saved?’ ‘Is he saying we’ve got to go back to the conference or we’ll be lost?’

“I’ve heard lots of things: ‘Where do we go from here, Pastor John?’ You’ve heard these questions out there, Elder Santee, and I hope you address them today, clearly and concisely.”

It is obvious from the above, first, that John’s local members were shocked and still did not know what was taking place. John’s smiling certainty revealed that he did know. The shepherd knew where the flock were being led, but he was not telling them.

WHAT HAD HAPPENED?

What had happened? This is what Advent believers are asking everywhere.

Several things had happened.

First, John had been conducting private conversations with Obed Graham, the Florida Conference president, for several months. This is a fact known to a number of historic believers in Florida.

John was requesting that he be taken back into the church and given approval as a denominationally recognized self-supporting institution.

But he was told that the organization could not do this until he openly apologized for his earlier statements about how terrible the denomination is. In addition, he must also place that apology in writing and submit it to them.

John has a lot to retract. For example, you may recall John’s broadcast sermon of several years ago (January 15, 1994), in which he declared categorically—declaring it to be a prophecy from God through him—that the Adventist denomination would come to its end before that calendar year was finished. There are few independents who, from 1989 to 1995, have publicly denounced the denomination as strongly as John has.

In addition, John has been in close conversation with a West Coast independent ministry. He has asked them to explain how he must conduct Prophecy Countdown, in order to operate as a denominationally approved independent ministry.

Some may be surprised that John would do this. They need not be.

John went through all this only nine years ago. Prior to 1987, John was castigating church leaders as of the devil, and declaring that the denomination was something to forsake.

Then for several months his messages seemed to tone down; and, in that year,—he suddenly made a dramatic turnaround and publicly declared that he stood with the denomination.

For the next two years he spoke and wrote as one fully supporting the Adventist denomination. In one of his monthly newsletters at that time, he said that tithe should only be paid in the conference and that no one should ever again send him tithe money.

That 1987 reversal followed secret conversations with church leaders for several months, in the hope of receiving ministerial ordination.

But the leaders were wary of John. He seemed too quick to speak, to jump, and to change his mind. So they bided their time.

As for John, he could not tolerate further delay, so in 1989 he jumped the other way. Soon he was denouncing the organization more strongly than ever before. It was Babylon, he declared. On television and on shortwave, reaching out to great distances, he was telling non-Adventists in far places that the Seventh-day Adventist denomination was Babylon and everyone should flee from its midst.

Now once again, in 1996, history is repeating. Early this year John once again entered into secret negotiations with denominational leaders, pleading for acceptance. This time they are demanding that he help bring separated believers back to denominational control. John decided he was willing to meet their demands. So Willard Santee spoke.

As for those who may not like his latest conversion, after having poured large amounts of money into Prophecy Countdown, John said Sabbath afternoon: Be quiet and don't bother me anymore. I don't care to hear you.

THE LEADERS KNEW

Most historic Adventists did not know that Willard Santee had been commissioned to give them a call back into the organized church.

When those attending the tent meetings asked John what the objective was, he only smiled.

Although the sheep did not know what was coming, John knew the message that he permitted to be broadcast over his facilities. Otherwise he would not have invited a Seventh-day Adventist minister—and not that particular minister—to speak.

It is also certain that church leaders and pastors in various parts had also been alerted to what was going to take place. One individual, a church worker in the United States, received a card informing him to be sure and tune in this weekend to the Sabbath afternoon Prophecy Countdown meetings. The person receiving the card commented that it could only have come from a General Conference or *Review* mailing list.

Both John and church leaders knew what was going to happen. You were left in the dark.

Yet there were a few premonitions which awakened some historic believers.

THE PRECEDING WEEK

It is an intriguing fact that, at the close of the altar call that afternoon, John publicly stated that people had recently been inundating him with phone calls and mail.

"We've gotten hundreds of phone calls this week,

asking us where we go from here . . .

"And those of you who hate me, just don't call. Just take your anger out on something else. Okay? If you want to stop supporting us, stop supporting us. Yes, please. It's a free country."

Shortly afterward, he added this:

"My wife and I have just encountered so much hate in the last 72 hours from so many people."

What had caused those concerned phone calls on Wednesday through Friday, November 13-15? We have already considered some of the recent developments; more are discussed below.

1 - The announcement cards to conference workers had arrived.

2 - Word of the secret meetings was spreading.

3 - Prophecy Countdown scheduling notices had reached historic believers who knew Santee's message.

4 - John's invitation to Independent Ministry leaders had been divulged to some.

5 - Others were calling in to Osborne, and beginning to file complaints with the attorney general because of the Channel 9 exposé.

A complex set of events were indeed at work.

Those listening or watching at a distance had received an advance scheduling sheet from Prophecy Countdown, mentioning that Willard Santee would be the featured speaker on that weekend. Yet some of them had already heard his remarkable message, that doom was to fall on Adventists who did not return to the organizational rolls.

In addition, word was spreading about John's private negotiating sessions with church leaders. Not only among the faithful, but also among conference officials.

Conference presidents share news with one another, and gradually the word trickles down. A remarkable pipeline of information regularly passes through organizational channels. Pastors in various places were beginning to hear it at their conference office.

Another news leak also heightened the interest in what was developing: John's board knew he was considering giving the organized church an opportunity to take over the payments on his radio station.

A key aspect of this whole matter was that John recognized he would need leverage if he was to convince church leaders to accept him into the ministry and, hopefully, as head of a church approved independent broadcasting ministry.

But almost the only selling point he had was the shortwave station: He could offer to let them take over the payments,—if they would accept him with the station!

We are told that this was John's best wedge to get

Continued on the next tract

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The Crisis at Prophecy Countdown —

Prophecy Countdown: November 1996 Update

PART TWO OF THREE

Continued from the preceding tract in this series

them to accept him as a minister and/or ministry. If he gave them the Maine station, perhaps they would let him continue to manage and host the programs; and they might help support his ministry, since he had given them the station. The thinking may seem a little fuzzy, but John was becoming desperate. His financial crisis was rapidly intensifying.

In addition, John had invited several former close friends, who were leaders in the independent ministries, to attend this series of meetings. One would assume that he wanted them there so they could march down the aisle with him in a marriage to the organization. But nearly all turned him down. One independent leader replied by inquiring how John could do this, when he had made that *“Abomination of Desolation”* video about four years earlier, condemning the organization in the strongest terms.

So, with John’s help, news was slowly spreading, and Countdown Ministry supporters were inquiring as to what was going on. They had also sensed a definite shift in John’s more recent broadcast presentations. Although the messages seemed somewhat more confused, there had been talk about “reconciliation” and the need be like Joseph who reconciled with his brothers. For much of 1996, John had been avoiding strong verbal attacks on the organization.

But, in addition, there had been a development in a different direction that week. This event was totally unexpected, and was not why the Sabbath meetings occurred (which had been scheduled earlier). —Yet it happened only a little over three days before the momentous November 16 Sabbath meetings. And it took John totally by surprise.

THE CHANNEL NINE EXPOSÉ

Channel 9, in Orlando, whose call letters are WDBO, has one of the biggest talk shows in the state of Florida. With a powerful signal, reaching up to Tallahassee, over to Tampa, and down to West Palm Beach, Channel 9 is a power to be reckoned with.

Hilda Sworez [pronounced “Swor-EZ”] is an elderly lady who lives in Poinciana (in the Kissimmee, St. Cloud area, about 60 miles south of Orlando). Convinced that Osborne was a man of God, for a time

she drove the long distance to Orlando to attend his meetings and then had a dish antenna installed, so she could watch him at home.

John had previously only appealed for donations; but then he started asking for investments. To those who would lend him their savings, he promised to give a 10% return.

Osborne’s workers came to her and asked her to give them her life savings, so they could buy the video/uplink trucks. She had \$33,000 in the bank. They said they would give her \$275 each month, for as long as she lived, and afterward the principal would belong to Prophecy Countdown. Before then, however, the principal still belonged to her—and she could recover it any time just by asking for it to be returned. All this was typed on a sheet of paper, entitled “Promissory Note.”

But, two years ago at the time Osborne was dickering to get the shortwave station, the interest payments to Sworez stopped. This was all the money she had, and she feared she would lose her home. Yet her pleadings were in vain. The interest payments had totally ceased, and her requests to have the principal returned were refused.

All the above facts were disclosed on the widely heard Channel 9 reports. To those who have read our releases on the David Mould swindles, this will sound very familiar.

From the best we can tell, none of the investors have received their monthly payments since the Maine station was purchased.

Many have wept, many have been angry. Yet there has been little response to their pleadings to Prophecy Countdown. —But this lady decided to contact someone else. Desperate to somehow recover her savings, Sworez recently told Channel 9 about her \$33,000 loss. They decided to investigate.

First, they sent Todd Ulrich, accompanied by a television crew, to her home. They interviewed her and obtained a copy of the “Promissory Note.”

Then the team caught John with his wife, Diane, and Kathleen Greenfield early one morning just as they were arriving for a day’s work at headquarters (the Proctor and Gamble building at 1701 Robie Avenue, in Mt. Dora). Todd was waiting in the east park-

ing lot where, a few days later, the Sabbath tent was pitched and Santee spoke. They walked up to John, just as he stepped out of his beautifully polished automobile, which appeared brand new.

With cameras rolling, and as the ladies stood nervously, Todd Ulrich engaged John in conversation:

TU: "Pastor Osborne? Todd Ulrich from Channel 9."

JO: "Yes, Todd."

"TU: "I'm here about a Hilda Sworez."

JO: "Hilda Sworez? I don't know a Hilda Sworez. (turning to Diane) Do you know a Hilda Sworez?"

TU: "She had signed this promissory note, and she gave the church \$33,000."

JO: (Starts to turn away, then turns back) "Uh, we're going through financial problems and we, uh."

DO softly to JO: "Should I let Kathleen talk to him?"

JO, more softly, to DO: "Here's the thing: if I walk away, it seems like we have something to hide."

JO: "It is not like we have the money, and we're spending money lavishly."

TU: "She may lose her home because she can't pay her bills."

JO: "I may, I may; there are a few of us who may lose our homes, brother."

Here are some of Ulrich's comments as he reported on this matter later over television:

"She said she was approached by leaders who were wanting to buy a satellite truck . . . She invested her life savings with Prophecy Countdown, but the church didn't honor its part of the agreement."

Channel 9 broadcast all this and more, in a two-part series, on Monday and Tuesday, November 11 and 12.

Here are some sample ads, broadcast at various times throughout the day, to attract the widest possible audience to these reports:

Voice: "She may not be able to stay in her home because she lost her life savings—Tonight at 6 p.m. on Channel 9; Eye-Witness News Report - coverage you can count on - Central Florida's news leader!"

Voice: "Tomorrow night—Why investigators are looking into the fund-raising practices of Prophecy Countdown!"

Voice: "So state authorities have looked into the situation, and we'll have details in an exclusive report when Eyewitness News Report comes right back!"

As you might imagine, this created something of a sensation in Florida, only a few days before the Sabbath tent meeting.

Here is the initial part of this TV exposé on Channel 9—"Eye-Witness News":

Marla Weech (co-host): "He was in a TV ministry that broadcasts worldwide from Lake County by satellite.

Bob Opsahl (co-host): "She believed in the

church and its pastor, but that faith could have cost her her home. And tonight, she's not the only one who feels betrayed. Channel 9 action reporter, Todd Ulrich is here with a special report."

TU: "This TV ministry is based near Mt. Dora, Florida, but it has followers around the world who watch by satellite. It is a totally independent Seventh-day Adventist group, but its fund-raising has come under fire."

Words: "Action News—Eyewitness News 9"

John Osborne shown preaching on a TV screen as Hilda Sworez watches from an armchair in her living room: "If they love the Bible, keep the commandments of God, and . . ."

Voice: "The first time she saw him, Hilda Sworez felt touched by a man of God."

JO on screen: "If someone is keeping the commandments of God, all of them, including that fourth one, the seventh-day Sabbath, and they love and teach and believe the Spirit of Prophecy, we're going to find out who they are!"

An interview with Hilda Sworez follows, in which she says Osborne is a devil. Then comes the interview with Osborne, quoted earlier.

Later in these two telecasts, more of that interview with Osborne is shown. Amazingly, in the following interview, the three declare that the disputed funds were donations and not investments; if so, this meant that no return need be made! The interviewer was incredulous.

TU: "Why take a woman's life savings to be buying a shortwave station in Maine? I guess that's one of my questions."

JO: "Why, that's, uh; that, uh."

TU: "And you put her at risk for one of your dreams."

JO: "She gave to us, uh, so we could take the gospel to the world."

As JO's voice fades; overvoice: "Osborne admits there are other investors, like Sworez, who invested in the church and are not being paid. Still he thinks there is nothing wrong with issuing promissory notes to raise church funds."

TU to JO: "I've shown this to an attorney, and he thinks this looks like an investment; that it was sold as an investment."

Kathleen Greenfield (shaking head): "No, no."

Diane Osborne (looking at Greenfield, then beginning to shake her own head): "No, no."

JO (looking at Greenfield): "No, actually—"

DO or KG: "It's very customary."

Voices fade; voiceover: "Actually, it's not standard; in fact Florida's Comptroller's Office, which regulates investments, is now investigating Prophecy Countdown."

Sign on door: "Florida Comptroller's Office, Robert F. Killigan, Central Florida Region."

TU (interviewing official in comptroller's office):

“The way this church raised some of its money; do you have a concern with that?”

Robert Goode: “Yes, we do. We’re concerned that they were selling securities without being registered.”

Voiceover: “The state inspector says the church was offering securities, but they could have been exempt from registration [as a nonprofit organization], but they would have followed strict investment guidelines.”

Goode: “They would have to give the investor a prospectus that discloses everything: where the money’s going, how they are going to use it, and what the risks are.”

Voice: “Hilda Sworez says she was never told any of that, before investing with the church; a decision which, she says, haunts her to this day.”

[Another interview with Sworez, followed by report closeout.]

Thousands in Florida heard these broadcasts.

ENTERED THE STATE OFFICE

Concerned about that elderly lady’s \$33,000 in life savings, Channel 9 took the story to the Florida State Attorney General’s Office. Stunned at what was taking place, the state attorney began an investigation that week. The Comptroller’s Office, also contacted, began investigating. That is the department in charge of auditing the books of businesses within the state and looking for fraudulent activities.

Since then, a number of people have contacted the state office over the matter, and there is talk of suing Osborne in order to recover money before he goes under and nothing remains.

Ulrich had said on television:

“There could be as many as 50 people who invested with the ministry, and some of the investments could be sizeable.”

That is quite a few people, and represents a lot of life savings. Two years ago, released information said that it totaled \$800,000.

Whether anything will come of all this, or how soon, we cannot know. State and federal investigators can work quickly—or very slowly,—depending on size of caseload and departmental funding.

Todd Ulrich had been told by John that the agreement was written up in such a way that it was not an investment requiring payment of interest and/or principal. Ulrich then went to the state attorney and showed him a copy of the contract, which said it was an investment. The lady was legally owed the 10% interest payments, and should be able to recover the entire amount whenever she requests it.

As noted earlier, on the Tuesday broadcast, Robert Goode (in the Department of Banking and Finance, Central Florida Region, of the Florida State Comptroller’s Office) was interviewed. He said that the promissory notes were investments, to be repaid; they

were not donations. He also said Prophecy Countdown was not legally authorized to issue investment notes.

BUILDINGS AND EQUIPMENT

These investments had been made ever since John began calling for funds with which to purchase the television trucks (Joshua and Caleb). But it was when the shortwave station was purchased that the interest payments became more irregular. Since then, the interest has stopped entirely, and the lenders have no longer been able to obtain their principal.

This is no little matter. For your information, Prophecy Countdown owed over \$8,000 a month in interest payments, going back at least two years. The state office will probably fine him, and require repayment of those two years of overdue interest payments. All aside from the principal, the amount of back interest payments alone due the investors totals about \$192,000!

Yet, in spite of the fact that expenses exceeded donation income, more equipment and buildings had been steadily acquired. Here is a brief overview of some of John’s major purchases:

Before entering the ministry, John operated a clothing store in Florida, which went into bankruptcy.

When John left Naples, Florida, where he was pastoring an S.D.A. church, he left behind a broadcasting debt he had incurred while there. He let the small Naples Seventh-day Adventist Church, which had done so much to get him started in broadcasting, struggle to pay it. Their head elder told me this in my office several years ago. John just ran off and left them with a debt of over \$30,000 to pay.

John moved to Central Florida because a family offered to let him start an independent ministry on their property, near Umatilla. They later told me that John’s attitudes were such that they asked him to leave.

Unfortunately, John chose to remain in the Greater Orlando area, which is a very expensive place in which to purchase property. It is a tourist and retirement boomtown. When Hurricane Andrew hit, Miami residents took shelter in Orlando hotels. At that time it was noted that there were more hotels packed into the small geographic region in the Orlando area than anywhere else in the world.

John purchased the Highway 441 property from Harris Oil, and made it into his administration building. The original warranty deed was dated June 5, 1990. It already had a mortgage on it, which John’s organization, Prophecy Countdown, assumed along with another one they took out at the time. The resultant “wraparound mortgage” had a total indebtedness of \$550,000 at 12% interest.

This Harris property (located at 21951 U.S. Highway 441, Mt. Dora) became known as the adminis-

tration building, and housed Prophecy Countdown offices, its fledgling television work, and the Rolling Hills Church upstairs in what John called the "Upper Room."

It was there, shortly after acquiring this property, that John held a large tent campmeeting in 1991, in a field just south of the building.

With the purchase of that property, John was henceforth saddled with considerable debt. At about the same time, he found a building about a mile north of the administration building. Located across the street from the Mount Dora Seventh-day Adventist Church, this building was leased and used for a primary and secondary school. It was called the "Rolling Hills Academy."

Next, John found a warehouse on 2001 S. Bay Street in Eustis, about 3 or 4 miles from the school, and leased it on a 40-year contract from a family firm in Palatka. He then set to work to convert the old warehouse into a sparkling church.

With this in mind, a large amount of money was poured into the building. These were the renovations, you may have heard about, which, to save money, were done without building permits. This building became the Rolling Hills Church.

Then John bought what he called Joshua and Caleb, which local Adventists call "the trucks." This consisted of a very high-priced portable television studio and uplink. It was a complete, mobile, state-of-the-art video editing studio and satellite linkup. A tall building was constructed behind the administration building, where the trucks were nicely housed from the elements. Investors came into the picture when he acquired Joshua and Caleb. It is true that the trucks were purchased "free and clear," but those who had invested were still owed money, so debt was involved in this purchase.

These trucks cost \$1.5 million because they were custom made for Prophecy Countdown. At that time, not many television stations had such state-of-the-art equipment.

Prior to this time, a non-Adventist firm had been making and processing their broadcasts in Orlando. Prophecy Countdown had been paying them to work on the Sabbath. When the trucks were purchased, a non-Adventist was hired to do this in the truck, until an Adventist could be trained to take over the task.

It was at this time, when the trucks were purchased, that John began offering limited partnerships and promissory notes. According Robert Goode of the Department of Banking and Finance, Central Florida Region, Prophecy Countdown was offering these as securities; yet Prophecy Countdown was not in the securities business. The problem here was that, although nonprofit organizations have certain privileges, any organization in Florida which offers securities

must register with the state and also provide portfolios, containing certain information to the state office and to the investors. Prophecy Countdown had not done this. (In addition, it was not paying the interest, and would not return the principal; and, as the television cameras rolled, John and the ladies [three of the four current board members] denied that they were investments!)

It is significant that, by this time, funds were so tight that John was forced to move out of the academy building in Mt. Dora. Income was not matching outgo, yet he continued to press onward in search of new purchases. (The academy continued on thereafter for two more years in the 441 property.)

Then the Proctor and Gamble property, situated one block from the administration building on 1701 Robie Avenue, was discovered. This was an extremely expensive piece of real estate, but John devised ways to finance it. At the time he said he "had to rob Peter to pay Paul." It is believed that liens were placed on other things, already paid for. What else was "paid for"? The trucks were the only extremely expensive equipment which had been owned free and clear. John is excellent at creative financing schemes.

John said he paid \$750,000 for this property, on his signature alone with nothing down, with Proctor and Gamble holding the mortgage. But a research into county documents revealed that a mortgage and security agreement had indeed been worked out in August 1993. It has a maturity date of August 16, 1998. The legal paper included 13 pages of agreement and 10 pages of collateral assignments and rents, which stipulates what can and cannot be done with the property. In less than two years, that money will be totally due and payable. Assessed value on the property is \$847,000. This Proctor and Gamble building became the new administration building.

It was an astonishment that, already heavily laden with debt, John was able to go ahead and obtain the trucks and then contract to purchase the Proctor and Gamble place. But then John learned about the short-wave station. This was the station which the Christian Science Church had been unable to sell, because it was asking close to what it cost to construct the station only a few years before.

Other firms were waiting for the price to come down (The church's Boston television station had finally sold for half price. And its national television network never did sell, and had to be auctioned off as separate pieces of equipment at a great loss.) But John stepped forward and bought the station for close to the asking price. (See *The Christian Science Law-*

Continued on the next tract

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The Crisis at Prophecy Countdown —

Prophecy Countdown: November 1996 Update

PART THREE OF THREE

Continued from the preceding tract in this series

suit—Part 1-3 [WM-515-517] and The Maine Shortwave Station—Part 1-2 [WM-518-519], published in May 1994, for a complete history of the several white elephants which a small, out-of-control, spendthrift leadership built or purchased in the 1980s, which nearly bankrupted that denomination.)

Even before the shortwave station was purchased, investors began to miss some of their monthly payments. John was busy trying to raise enough money to purchase the station according to “Plan A,” which stipulated that God only wanted him to buy it if enough money came in to make a full purchase by a certain date. Otherwise, he would send all the money back to the donors. He began holding back most of the payments due investors.

When that date came (May 16, 1994), he switched to “Plan B,” and said he would buy the station if he could raise a suitable amount for a down payment. He also refused to return donations to those who had given them on the basis of “Plan A.” He continued to hold all payments due investors. Amid the monthly financial crises which followed, he continued to lock investors out from their interest and principal.

Having entered into a contract to buy the station, with operating capital extremely precarious (*see box on next page*), John then appealed for about \$3 million to buy a log periodic vector antenna, so Adventists in America could hear the station more comfortably. Yet he was not paying the investors who had given him money for earlier projects; and, often, he was hardly receiving enough donations to meet current needs.

When the \$3 million did not come in, John announced that he had taken a trip to Hawaii and someone there had offered him property if he would erect a shortwave radio station there. But it would take more funds. No dollar amount was cited.

All the while, Hilda Sworez was watching it all at home, and wondering why she was not being paid her \$275 a month.

On September 9, 1996, Prophecy Countdown deeded the Highway 441 property back to James Har-

ris, Jr., of Harris Oil. The assessed value was \$448,000. All improvements Prophecy Countdown had put into the property were lost, including the large garage in back, which had been built to house the television trucks. This had been a purchase, so the equity was also lost.

At about the same time, the church, on S. Bay Street in Eustis, was handed back to the family firm in Palatka. This had been a lease arrangement, so no equity was lost. Yet the massive amount of improvements, which transformed a warehouse into a beautiful church, were lost. Prophecy Countdown could no longer use the beautifully outfitted building.

This meant that, as of two months ago (as I write this), only one Florida real property still remains (the Proctor and Gamble building on Robie Avenue) and all facilities and work stations have been transferred into it. With the garages built for them lost, Joshua and Caleb are parked out in the open behind the building.

CURRENT FINANCIAL STATUS

Prophecy Countdown was supposed to come up with \$200,000 in radio station payments by October 31, 1996. But, on that date, it only had \$64,000 in hand. Because Prophecy Countdown was not able to make that payment, it was told it would be given till November 8 to come up with \$100,000. Then, after the first of the year, the contract could be renegotiated. That is what John said.

At this time (mid-November), word has not been received from Prophecy Countdown as to what occurred on November 8.

It is of interest that, according to Florida State property laws, if anyone defaults on the loan of just one of his properties, a lien can be placed on any and all other properties that he owns. This includes real or personal property, so the trucks could be seized to meet unpaid debts.

WORKERS

The Proctor and Gamble building is not crowded, as one might imagine. First, it is a large building, and second, there are few workers remaining.

In earlier years, there had been nearly 60 work-

ers. But, eventually, John became upset with people—and they quit or were fired. Fortunately, more kept coming to take their places. For two years in a row, at least 20 workers quit or were discharged each year. At the present time, there are about a dozen workers.

MEETINGS

THE SHORTWAVE STATION

A small coterie of spendthrift men had taken control of the Boston-based Christian Science Church in the late 1970s. Their desire was not gain for self, but to spread more widely the teachings of Mary Baker Eddy.

They spent \$200,000 to get a monthly nationwide television show, *Monitor Reports*, started. It later collapsed. They bought a complete television station in Boston (WQTV, Channel 68) for \$7.5 million. It bled the 170,000-member church half to death. When they later tried to sell it—no one would consider it for a long time. In June 1993, Boston University bought it for a mere \$3.8 million.

Then there was Monitor Channel, a nationwide television broadcast. It cost \$8 million to set up and millions to maintain yearly. But the expenses were crushing that sizeable denomination half to death. No one wanted it, for stations and networks were not selling well in the 1990s. Finally, they were forced to auction off the equipment in December 1992 for a mere \$4 million.

Then there was the Scott's Corner, Maine, shortwave station (WCSN), which the Christian Science Church had constructed at a cost of \$7.2 million. (That station only had transmitting equipment; it never had a studio or broadcasting equipment.)

This was the only white elephant sale which turned out well for the Christian Science Church. As usual, no one wanted it at the asking price. The station cost \$7.2 million to build, and everyone knew they would come down to at least \$2.5 million. But, upon hearing about it, John quickly offered \$5 million. This was snapped up. John gave a down payment and set to work to raise the money for a cash purchase.

The Maine station had been costing the Boston-based church \$60,000 to \$100,000 a year to operate.

Money had been donated in accordance with John's stated promise that, if the total amount of \$5 million was in hand by May 16, 1994, all donations would be returned. (A \$40,000 down payment had been given by John on November 27, 1993, and another for \$40,000 on January 17, 1994. The agreement was that the remainder, \$4,560,000, would be paid on or before May 16.)

When questioned, John stated flatly on television that, if he did not receive the full amount by that date, all donations would be returned. He said God would not want him to have the station if the money did not come in by that date.

When less than half (about \$2 million in donations, plus jewelry, etc.) came in by May 16, the donations were not returned. And John said he was going to buy it on payments. He handed over a check for \$1 million on that date, extended the closing date, and started devis-

The Rolling Hills Church service and other meetings are now held in the bookkeeping double room of the Proctor and Gamble building. The room is about 25 x 30 feet in size.

In earlier years, about 300 would attend each televised Sabbath morning worship service. But, gradu-

ing ways to borrow still more money.

Another drain on the Boston church had been the \$100,000 it paid yearly for "consultants." John Osborne felt his was now in the price class where he could do the same thing. He hired a non-Adventist, Jim McGovern, as a consultant, and initially gave him a \$60,000 payment up front. His job was to find a way to help John purchase the station, while using only the station as collateral for the loan. He was initially paid \$60 an hour; but later, when he complained, was raised to \$100 an hour. In addition, he would later collect a percentage of the total loan. Jim managed to work up a deal with the banks, that the station would be collateral for the loan. But this, of course, would imperil all the money the donors had put into the station.

In addition, they had given about \$2 million. John borrowed \$3.8 million on the station, 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 from losing the first \$1.44 million to the bankers.

In addition, they would have to donate between \$1.8 and \$2 million each year to maintain the station and keep it broadcasting. (Not to do so would mean the station could not have much broadcasting time.)

Prior to taking out the station loan, Osborne had to pay \$39,000 each month (over \$6,000 each month in interest payments to investor "partners, who had loaned Prophecy Countdown about \$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 \$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")!

The well-established Christian Science Church had to sell the Maine station, and it had 170,000 supporting members.

Prophecy Countdown already had loans on other equipment and buildings, especially after purchasing the Proctor and Gamble building. But the interest on the newly acquired radio station loan was remarkable. Consider this:

The monthly interest is \$64,000 on the interest and principal, and \$768,000 must be paid each year on interest and principal.

The total accumulated interest on the loan to be paid is \$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; now, with the loan in place, Prophecy Countdown must pay \$5,265,509 for the station, after already having handed over \$1,440,000!

ally, the attendance diminished.

As mentioned earlier, the special November 15-16 meetings were held in a tent outside the building.

The Prophecy Countdown board members at this time are John, his wife, Diane, Kathleen Greenfield, and Dr. Al Scott. (Pat Shafer is now off the board. Patty Edwards is still the treasurer.)

With every new conduct crisis, more members and attendees have gradually left the Rolling Hills Church.

At the present time, there are only about 25 who *regularly* attend the Sabbath morning services. Since it is reported that only about 12 workers are on the Prophecy Countdown staff, most of the regulars are probably workers and their families. They would know better than to stay away.

Where have the people gone when they left Rolling Hills? Those who left earlier, tended to form independent churches in the Orlando area, pastored by speakers whom John had fired. A larger number of those who left more recently have tended to go back to the main church (which, as you might expect in Orlando, is quite worldly).

One observer told me a few days ago that, these days, the number of cars parked in the parking lot at the administration building on Sabbath is about the same as it is during work hours through the week.

It is a weighty fact that those willing to follow a man for several years, regardless of occasional evidences of a lack of self-control in speech, conduct, and finance, are more likely to sacrifice principles on other levels. They will be more willing to follow him right back into a denominational fellowship which they had earlier left for the sake of principle. Following a man can cause principles to vanish.

Keep in mind what happened to those who slavishly followed Robert Brinsmead. Initially preaching in America in 1960, over the next several years he gained quite a following. Some liked the Spirit of Prophecy quotations people had shared with him, and for that reason read his publications. Others adored the man. In 1970, when Brinsmead switched over to Protestant new theology (there is only justification; sanctification and obedience matter not), the latter group went with him. In 1979 and 1980, when he rejected 1844 and the Bible Sabbath, they went totally out with him.

Beware of following men. They are all mortal and frail. God and His Word must come first in your life; all else must be of lesser consequence. Loving God and, by faith in Christ, obeying His holy Word, as well as ministering to the needs of those around you—is the pathway to heaven. It is not approval by a man or church officers which count.

CONCLUSION

John wants the conference to take Prophecy Countdown back in as an accepted sister institution.

But Channel 9 is a very old station and covers a sizeable portion of the state. In addition, the state attorney and comptroller have now initiated an investigation into John's activities.

Then there are the flip-flops which John did, in earlier years, and the strong verbal attacks he made on the denomination. He completely switched sides in 1987, and gave the full support of Prophecy Countdown to the organization. Then, in 1989, he turned strongly against them again.

How could they now give him a warm embrace?

On the other side: By his actions on Sabbath, November 16, 1996, John has probably burned his bridges of access to many historic believers. By definition, those are the people who believe that pure doctrines and standards must be adhered to, and error must be reproofed and not embraced as an old friend. He even said he no longer wanted to be a historic Adventist!

In 1989, at the end of his earlier flip-flop, after waiting two years for church leaders to accept him back into the organizational ministry, John turned against them again. This time he will not give them as long to make up their minds. He must have financial help soon. It is likely that, if church leaders do not fulfill Osborne's requests within a short time frame, he will repudiate connection with them again.

Will any continue to support him afterward? Probably so. It was unbelievable, yet true, that after his 1987 flip into the church, and again after his 1989 flop back out, he was warmly received by many.

Keep in mind that, unbelievably, after remarkable revelations were disclosed about David Mould's adulteries, financial mismanagement, and fraudulent practices,—he is still being supported.

So John may do well again. Only time can tell. The tendency is for people to want a leader to follow. If he is charismatic enough, they follow him.

At the Sabbath tent meetings, John stated over television that Willard Santee was his new instructor, to lead him back into submission to, and acceptance by, the General Conference church. This, in spite of the fact that Santee had just said that all those desiring to be written again onto the church rolls—must adapt to a rigorous, ongoing silence regarding beliefs and standards. According to Santee, they are permitted to witness to non-Adventists, but not to fellow church members. In every way, he maintains, they must consistently support their pastors and church leaders in all their teachings and decisions.

John is now willing to do this. How many of his followers will recognize that which he does not: that compromising one's faith will ere long lead to spiritual recklessness, a hardening of the heart, and abandonment of contested teachings found in the Bible and Spirit of Prophecy.

Throughout God's Word, the underlying issue

is obedience to the Word of God,—and not church relationship. Church relationship is always of far lesser importance. But Santee teaches that, unless you are glued to the organization, you will be lost, irretrievably lost. **This would mean that, if your connection is to Christ and His Word—yet not also with the church—you will be lost.**

Willard Santee speaks much about fellowship with church leaders, with their arms about you, but he says little about whether we should obey God's Word, reprove sin, or stand for any principles.

The truth is that anyone who stands for principles will soon no longer have the arms of the church leaders about him! He will be shunned, pushed, and ejected.

Willard was right in reproving the adulterous sins of that minister in the Northwest years ago (see *Reply to Santee [WM-736-738]*). He was wrong to later change his thinking, and maintain that fellowship with those who accommodated the wrongs of adulterous ministers—was of greater value than fellowship with God and the approval of His Word.

That single change in thinking marked a great turning point in Santee's life. His preaching is powerful, because, like a laser beam, it narrowly focuses on his theory, taught in earlier ages by the popes, that *"outside the church there is no salvation."*

There is no doubt that Santee preaches in the power of a spirit, but what spirit? Can the Holy Spirit bless concepts which are Catholic in origin, and which, if followed, will lead to compromise and loss of souls?

There is a dramatic difference between the two positions: those of historic Adventists and those of Willard Santee. John will follow his new teacher. How many will continue to follow John?

The day after the Sabbath meetings, a friend phoned a fellow believer who has faithfully supported John Osborne for years. She was distraught, almost incoherent. She had been kicked out of a Northwest U.S. church because of her stand for the truth and had been attending a local home church, but her first loyalty had been to John. Now she did not know what she would do. It was clear that Osborne wanted her to go back to her conference church. But she knew that congregation would not accept her, unless she repudiated historic Adventism.

That same day, I was told of a historic believer of many years, living in a worldly Adventist college town community, who had been faithful to historic Adventism for years. She had been edged out of the church because she would not compromise with errors regarding the nature of salvation, the nature of Christ, and the work of Christ in the heavenly Sanctuary.

But, after Santee's Sabbath sermons (on broadcasts paid for by the donations of those who support Osborne), she said, "Oh, it all sounds so loving and wonderful. Maybe I should return to the church!"

But Santee, in his sermons, was careful to avoid the underlying issues of truth, principle, righteousness, and sin. The truth is, **we must ever stand for the right, and when necessary reprove the wrong, or we will perish. Connection to a group is not to be given priority over obedience, by faith in Christ, to the Word of God. We are saved by Jesus Christ, not by organizational relationship.** Wherever we are, we must maintain our principles if we are to remain. And, wherever we are, we must protect our children.

The investors loaned John \$800,000. That is close to a million dollars. They did not give that money, they loaned it. For example, one family in Maine, which loaned him close to \$50,000, is having an extremely hard time financially. They had given their all.

I was told of an elderly man in Florida who loaned \$90,000. Unable to recover interest or principal, he went to his grave sorrowing. One of our workers here, while in Florida, knew about this case.

What will the investors do now? Their savings went into projects which John now wants to give, or connect to, the General Conference church.

What will John do now? All aside from his other debts, he owes \$800,000 (the investors' principal); \$8,000 in payments each and every month, from here on out; and \$192,000 in back interest payments—which Florida State investigators may soon require him to pay, plus fines and perhaps the returning of all the principal (since the state says he was not offering valid securities).

Many wish John had been stable enough to keep his operation on a sound financial and theological basis.

Jesus and His Word is all you have; never forget that.

AS WE CONCLUDE THIS—We have just heard that, on the following Sabbath, Diane spoke for 20 minutes during Sabbath School and said they had been misunderstood the previous Sabbath and had no intention of returning to the organized church. But paradoxically, she also indicated that, in some way, they would be with the organization anyway. A dominant theme was that the problem was with all the other independent ministries, not with theirs. Near the end, John came up and stood beside her without saying anything. Then they both walked off the platform.

It is remarkable that John said nothing. On his part, he neither made a new commitment, nor uttered an apology. There was no withdrawal of the decision he had announced over television the previous week—to find a way to return to the organization.