

1 does not exceed fair market rates for the area."

2 A Yes.

3 Q Did I read that properly?

4 A Yes.

5 Q And that's exactly what Cookie, or Miss  
6 Lancia's, correspondence did, correct?

7 A I don't know if it said it in that way, but it  
8 noted an amount, yes.

9 Q Excuse me?

10 A I don't know if it said it that way, I don't  
11 have that in front of me, but it did give fair market rates  
12 in the area and the opinion of Ms. Lancia.

13 Q And at the time did you know who Ms. Lancia  
14 was?

15 A No.

16 Q Did you ask anybody with about her  
17 qualifications?

18 A No.

19 Q Did you pick up the phone and call Mr. Baxter  
20 and ask him about her qualifications?

21 A Excuse me?

22 Q Did you pick up the phone and call Mr. Baxter  
23 and ask him about her qualifications?

24 A No.

25 Q But you didn't -- the school district,

1       yourself, the administration, didn't accept Ms. Lancia's  
2       correspondence as validation of the rent.

3               A       Correct.

4               Q       And at that time did you know what rent the  
5       charter school was paying?

6               A       The charter school?

7               Q       Charter school, yeah. That's what we're  
8       dealing with here is the charter school, correct?

9               A       Yes, it is.

10              Q       Okay. At the time back in April of 2007 isn't  
11       it true you had no idea what other charter schools were  
12       paying for rent?

13              A       Well, Ms. Lancia's document didn't show that,  
14       either.

15              Q       I didn't ask you that, sir. My question was,  
16       back in April of 2007 isn't it true you had no idea of what  
17       charter schools were paying for rent?

18              A       I had some idea.

19              Q       What charter schools did you check?

20              A       I didn't check with any at that time.

21              Q       Now, in the -- your attorney's response to  
22       Mr. Langsam's letter it indicates -- I don't know what  
23       exhibit it is -- that it wasn't -- it was hardly an  
24       appraisal, Ms. Lancia's correspondence. You at no time  
25       asked for an appraisal, did you?

1           A       No.

2           Q       So, the school district -- the charter school  
3 was simply to read your mind and determine that an appraisal  
4 was necessary.

5                   MS. SCHURDAK: Objection. Argumentative.  
6 You have the exhibit.

7                   MR. LITTS: I will sustain the objection.  
8 Mr. Anders, you're free to rephrase.

9           Q       At that point in time in April of 2007 isn't it  
10 true that the school district did not employ an appraiser,  
11 a certified appraiser, to do an appraisal of the charter  
12 school rental?

13          A       The district? No.

14          Q       In fact, as we sit here today the school  
15 district does not have an appraisal of the rental value of  
16 the charter school through a certified or licensed  
17 appraiser.

18          A       I think we do. I thought we had one provided  
19 that was from 2008.

20          Q       By whom?

21          A       I forget who did it. I'd have to see the  
22 document again.

23          Q       Well, you were present when the -- as opposed  
24 to Mr. Baxter, a certified appraiser testified, correct?

25          A       Yes.

1           Q       And he did not give any opinion as to market  
2 rent for the charter school, correct?

3           A       Not that I recall.

4           Q       And isn't it true that the school district did  
5 not ask the certified appraiser to perform that  
6 responsibility or perform that function?

7           A       That's correct. He made that clear in his  
8 testimony.

9           Q       Another reason you told us about for the change  
10 in the charter was the bidding practice. Isn't it true that  
11 before the renewal application and after it the school  
12 district never assisted the charter school in establishing  
13 bidding procedures or practices.

14          A       I'm not sure about the establishment of  
15 procedures, but Mr. Kelly had discussed it with people at  
16 the charter school.

17          Q       Well, what did Mr. Kelly advise the people at  
18 the charter school about concerning bidding practices?

19          A       As I recall, it was about getting the proper  
20 number of bids on some project that had been done, but I  
21 don't recall the details.

22          Q       Well, what number of bids were required?

23          A       Well, if it exceeds a certain amount it would  
24 be a number of bids. There were no number of bids required.  
25 You put something out to bid when it exceeds -- I think at

1 that time the threshold was \$10,000.00. If we're below that  
2 usually people would ask to get three quotes.

3 Q Well, what project was not put out for bid that  
4 was in excess of \$10,000.00, if you know?

5 A I don't recall, I already stated.

6 Q Isn't it true that when you testified about the  
7 necessity to change the conditions of the charter school you  
8 gave five concerns about adding conditions? Do you recall  
9 that?

10 A I don't know if the exact number was five. I'd  
11 have to think back and look at it.

12 Q Well, you would agree with me that it wasn't  
13 more than 10, correct, concerns that you had?

14 A I would agree.

15 Q That you testified about.

16 A I would agree.

17 Q And, in fact, based upon those -- that number  
18 of concerns, whether it was five or 10, the number of  
19 conditions in the charter school charter on renewal was  
20 increased from nine to 62, correct?

21 A Yes.

22 Q In April of 2006 the school district issued a  
23 charter to the Evergreen Community Charter School, correct?

24 A Yes.

25 Q And that charter had 34 conditions, correct?

1 MS. SCHURDAK: Objection as to relevancy. And  
2 we've already heard this testimony through another witness.

3 MR. LITTS: Well, the question's been answered.  
4 I'll overrule your objection.

5 Q Why was it necessary for the Pocono Mountain  
6 charter school charter to have 29 more conditions than  
7 Evergreen?

8 A Are you talking about the original Evergreen  
9 charter?

10 Q The one issued in 2006 with --

11 A Yes.

12 Q -- 34 conditions.

13 A Well, 34 conditions as opposed to Pocono  
14 Mountain Charter School only having nine in their first  
15 year.

16 Q Well, my question is why was it necessary for  
17 the Pocono Mountain Charter School on the renewal to have 29  
18 more conditions than Evergreen had?

19 A Because our experience was that the things that  
20 we asked for were things that we hadn't received before  
21 satisfactorily.

22 Q Well, what things before the renewal of the  
23 charter did you ask for that were not received  
24 satisfactorily?

25 A I would have to get another set of notes, but I

1 do believe that we asked for things that we hadn't seen.

2 Q Well, what were those things?

3 A The one we wanted to see was the revised lease.

4 Q You just told me you had a lease. You told me  
5 less than 10 minutes ago that you had the lease at the time  
6 the charter was renewed. So, what things did you ask for  
7 before the renewal of the charter that you did not receive  
8 specifically? Identify them, please.

9 A I don't recall.

10 Q You testified at the last hearing that the  
11 school district didn't put a gun to the charter school's  
12 head to get it to agree to the conditions. Do you recall  
13 that testimony?

14 A Yes.

15 Q The school district set the conditions, did it  
16 not?

17 A Yes.

18 Q And if the charter school didn't accept those  
19 conditions then the charter would not have been renewed,  
20 correct?

21 A They did accept the condition.

22 Q I didn't ask you that, sir. I asked you if  
23 they didn't accept those conditions the charter would not  
24 have been renewed.

25 A I can't speak to that because maybe there would

1 have been additional negotiations. The concerns would have  
2 been brought to us.

3 Q So, you don't know.

4 A I don't know.

5 Q Now, if the charter wasn't renewed the charter  
6 school would have either gone out of business or had to file  
7 an appeal to the Charter School Appeal Board, correct?

8 A Correct.

9 Q And that would have incurred -- the charter  
10 school would have had to incur expenses for attorney's fees  
11 and experts and things of that nature, would it not?

12 MR. LITTS: Mr. Anders, I have to apologize,  
13 but you made an error in your question. If there is not a  
14 renewal of the charter there is an opportunity for a hearing  
15 before the board of school directors with a de novo appeal  
16 to the Charter School Appeal Board. So ....

17 Q So, if I can understand the correction here,  
18 and correct me if I'm wrong, if the charter wasn't renewed  
19 then the charter school could request a hearing before the  
20 body that set the conditions and that body then would change  
21 its mind, correct?

22 A The body doesn't set the conditions. The  
23 conditions were set by administration for approval by the  
24 board.

25 Q And the board approved them.

1           A       At that time, yes.

2           Q       And that -- the end result of that would have  
3       been the charter school appealing to the charter appeal  
4       board, correct?

5           A       I'm not sure what end results you're talking  
6       about.

7           Q       If the charter was not renewed because the  
8       charter school would not accept the conditions.

9           A       If the board had made the decision that the  
10      charter school was not renewed then there would have been a  
11      hearing in front of the board and then to the CAB if that  
12      were the case, if the board did not renew the charter.

13          Q       Now, what role did you have in structuring the  
14      conditions for the Evergreen charter school?

15                   MS. SCHURDAK: I want to object. Again --

16                   MR. LITTS: Sustained.

17                   MR. ANDERS: Well, so we're all clear, I have a  
18      whole line of cross examination on Evergreen versus Pocono  
19      Mountain Charter School. Are you telling me I can't go  
20      there?

21                   MR. LITTS: Yes. Did you say something for the  
22      record, Mr. Anders?

23                   MR. ANDERS: Excuse me?

24                   MR. LITTS: Did you say something for the  
25      record?

1 MR. ANDERS: Nope. I was talking to my  
2 co-counsel which I think I'm allowed to do.

3 MR. LITTS: I'm not denying you that. I just  
4 want to make sure who you're addressing.

5 Q If you would look at the Joint Exhibit No. 5.

6 MR. LITTS: Tab 5.

7 Q Look at Condition 13. Why was it necessary to  
8 include that condition in the charter?

9 MS. SCHURDAK: I'm objecting as to the way the  
10 question is phrased. I mean, this is a charter, and we've  
11 had testimony on this, that was negotiated between the  
12 parties, both sides being represented.

13 MR. ANDERS: I don't think that was the  
14 testimony of Pastor Bloom when he testified.

15 MR. LITTS: If this witness has knowledge why  
16 this condition was included in the renewal charter he can  
17 answer the question.

18 A I think -- and it says, "Salaries of all  
19 employees of the charter school shall be fixed by majority  
20 vote of the board of trustees of the charter school. Any  
21 modifications of such compensation shall be, likewise, fixed  
22 by majority vote of the board of trustees."

23 I think in so doing it was our feeling that  
24 with so many changes in the board that they all be fully  
25 aware of what those salaries were and, you know, that was

1 basically it.

2 Q That condition doesn't say that the school  
3 district or the school district administration can set the  
4 salary referred to, does it?

5 A No.

6 Q It was left up to the discretion of the board  
7 of trustees.

8 A Yes.

9 Q And the school district has no basis for  
10 overruling the decision of the board of trustees of the  
11 charter school as it goes to salaries, correct?

12 MS. SCHURDAK: Objection. This is -- now we're  
13 getting into an area of the law.

14 MR. ANDERS: He testified about salaries on his  
15 direct examination. He testified about what his opinions  
16 were about salaries.

17 MS. SCHURDAK: And we have the Charter School  
18 Law saying that if there is financial mismanagement, and I'm  
19 paraphrasing right now --

20 MR. ANDERS: Well, there's been no evidence  
21 that there's any financial mismanagement.

22 MR. LITTS: I'm going to overrule the  
23 objection. This board will take notice and I will advise  
24 them in their deliberations with regards to the law. So,  
25 I would -- counsel doesn't need to get into that. We're

1 familiar with the law.

2 But, again, if this witness has knowledge or  
3 information or -- about what concerns the administration may  
4 or may not have had about the manner in which salaries were  
5 approved for charter school employees he can answer the  
6 question.

7 A Could you rephrase the question, please?

8 (Pending question read back by the reporter as  
9 follows: "And the school district has no basis for  
10 overruling the decision of the board of trustees of the  
11 charter school as it goes to salaries, correct?")

12 A That would be correct.

13 Q If you would look at Condition 57. Why was  
14 that included?

15 A I believe that was included as a good business  
16 practice, that the records be kept for a period of two years  
17 so that if there were any questions they could be answered.

18 Q An what about 58? Would you read that?

19 A I think it would be for the same reason.

20 Q And at the time the charter was renewed isn't  
21 it true the school district had no information that the  
22 charter school was mismanaging any funds?

23 A No.

24 Q It did or it didn't?

25 A It did not.

1           Q       Now, based upon Joint Exhibit No. 5, the school  
2 district could have revoked the charter for any violation,  
3 correct?

4           A       It could, yes.

5           Q       And isn't it true that that broad latitude is  
6 not contained in the Evergreen charter?

7           MS. SCHURDAK: Do you have the Evergreen  
8 charter for him to review, Mr. Anders?

9           MR. ANDERS: Certainly.

10          MS. SCHURDAK: Although I thought that we were  
11 not going to go there in this line of questioning.

12          MR. LITTS: Mr. Anders, were you referring to a  
13 specific condition in Joint Exhibit 5 for purposes of your  
14 question?

15          MR. ANDERS: Yes.

16          MR. LITTS: And which condition would that be,  
17 sir?

18          MR. ANDERS: Let me just look at the exhibit so  
19 that I can make sure we're all on the same page.

20          Q       Sir, if you look at Condition 65.

21          A       Yep.

22          Q       Isn't it true that same type of language isn't  
23 contained in the Evergreen charter?

24          MS. SCHURDAK: I'm objecting as to relevancy.  
25 Again, Evergreen is not at issue in this proceeding.

1 MR. ANDERS: Well, I think this specifically  
2 has to do with the revocation because if I read the  
3 Evergreen charter correctly it can only be revoked for  
4 certain -- violations of certain conditions where this  
5 provision gives the school district basically carte blanche  
6 to revoke the charter. I think that has legal relevance  
7 because that clearly ....

8 MR. LITTS: And, again, before ruling on the  
9 objection, there are certain assumptions on which you base  
10 the question which, again, I don't think accurately track  
11 the law. The Charter School Law, specifically Section  
12 1729-A, Subparagraph (a), allows for the revocation or non-  
13 renewal of a charter. And I'm quoting and this is from your  
14 exhibit, Mr. Anders, Charter School 3. "One or more  
15 material violations of any condition, standard or procedure  
16 contained in the written charter signed pursuant to Section  
17 1720-A." So, the material breach standard is contained in  
18 the law.

19 MR. ANDERS: Well, then, the Evergreen charter  
20 is in violation of the law.

21 MR. LITTS: No, the -- I would beg to differ.  
22 I mean, I'm familiar, and I hope counsel's familiar with,  
23 the precedent at the Charter School Appeal Board and any  
24 other cases with regards to the applicability of the law to  
25 all charters, whether they are written into the charter

1 document or not.

2 So, I'm going to, with that in mind, allow you  
3 to rephrase the question and give you a short leash, but I  
4 think it's important that we keep that in mind when we go  
5 down this road.

6 MR. ANDERS: Okay.

7 Q Isn't it true that the Evergreen charter can  
8 only be revoked for specific -- for violation of specific  
9 conditions?

10 A That's true that's in the charter.

11 Q That's in the charter. Different language than  
12 the -- what's in Paragraph 65.

13 A 65 is quoted from the law.

14 Q And you testified last time that the  
15 Evergreen charter school was already accredited when it  
16 applied for a charter with Middle States Association.  
17 Do you recall that testimony?

18 A Yes.

19 Q That's not true, is it?

20 A No.

21 Q The Evergreen charter school is not accredited  
22 with that association.

23 A I'm not sure.

24 Q You're not sure, but last time you testified it  
25 was at the time the charter was issued, correct?

1           A       I would have to review my testimony.

2           Q       Is the Pocono Mountain School District Middle  
3 States Association accredited?

4                   MS. SCHURDAK:  Objection.

5                   MR. LITTS:  I'll let him answer the question if  
6 he knows.

7           A       The high schools are.

8           Q       Excuse me?

9           A       The high schools are.

10          Q       Just the high schools?

11          A       Yes.

12          Q       Now, if you would look at Paragraph 8 of the  
13 conditions, isn't it true that that condition states that  
14 the Pocono Mountain School District liaison appointed by the  
15 school district shall attend meetings of the charter school  
16 board of trustees?

17          A       Yes.

18          Q       Who was the liaison in 2006?

19          A       I think -- I'm not sure who was appointed as  
20 liaison, whether Mr. Bockelman, Mr. Kelly or -- but the  
21 meetings were on the same nights as ours, so they could not  
22 attend on a pretty regular basis.

23          Q       Excuse me?

24          A       On a pretty regular basis.

25          Q       They could not attend on a pretty regular

1 basis.

2 A No, the meetings were conducted on the same  
3 night on a pretty regular basis. As our meetings.

4 Q Well, does it say -- does that paragraph say  
5 that the liaison has to be a member of the school board?

6 A No, and that's why --

7 Q So, an administrator could have been appointed  
8 as the liaison and attended the meetings when the school  
9 board was -- the school district was having its meetings,  
10 correct?

11 MR. LITTS: Excuse me, Mr. Anders. Whose cell  
12 phone is that, please?

13 (Off record.)

14 MR. LITTS: Mr. Anders, you may continue.

15 A If the school board desired that, they could  
16 have.

17 Q And who was the liaison in 2007?

18 A I don't believe there was one appointed.

19 Q What about in 2008? Who was the liaison?

20 A I don't believe there was one appointed.

21 Q And what about 2009? Was one appointed in  
22 2009?

23 A No, but I believe a board member attended a  
24 couple of meetings.

25 Q My question was who was appointed liaison in

1 2009?

2 A No one.

3 Q If you would look at Joint Exhibit No. 1.  
4 I believe that's Tab 1. Would you point out for me and read  
5 the language where there is a 60-day notice provision in  
6 that exhibit?

7 A I don't see one.

8 Q Excuse me?

9 A I don't see one.

10 Q You don't see one?

11 A No. I'm looking ... I don't see one.

12 Q Excuse me?

13 A I do not see one.

14 Q So, based upon Joint Exhibit No. 1 the charter  
15 school was never notified by the school district that it had  
16 60-days to correct the items set forth in that exhibit,  
17 correct?

18 A Yes.

19 MS. SCHURDAK: Objection. That was not his  
20 answer.

21 MR. ANDERS: He said he couldn't find the  
22 60-day notice.

23 A In this.

24 Q In Exhibit 1.

25 A In Exhibit 1.

1 MR. LITTS: If I can construe Mr. Anders'  
2 question, are you asking this witness whether or not 60 days  
3 notice was provided?

4 MR. ANDERS: No, I'm asking whether based on  
5 Joint Exhibit No. 1 the charter school was given 60 days  
6 notice that it had 60 days to correct the items which are  
7 set forth in that exhibit.

8 MR. LITTS: Well, then, I'll sustain the  
9 objection because it presumes facts in an inaccurate  
10 fashion.

11 Q Where -- when did the school district give the  
12 charter school 60 days -- in writing 60 days written notice  
13 to cure the items set forth in Joint Exhibit 1?

14 A I would have to go back to refer -- I'm not  
15 sure which exhibit it was where we gave the 60 days notice.

16 Q What exhibit was it?

17 A I don't know.

18 Q Why don't you take a look at School District  
19 14?

20 MR. LITTS: School District 14 would be under  
21 Tab 46.

22 A I have it.

23 Q School District 14 is your letter of  
24 April 10th, 2007, we talked about earlier, correct?

25 A Correct.

1           Q       Now, if I look at that exhibit the second  
2 paragraph talks about Paragraph 65 of the charter and  
3 notifying the charter school that documentation -- action's  
4 required to remedy items?

5           A       Right.

6           Q       Would you agree with me that there are 10 items  
7 in that letter, correct?

8           A       Correct.

9           Q       And would you agree with me that there were  
10 considerably more in the -- Joint Exhibit No. 1?

11          A       Yes.

12          Q       How many were there in Joint Exhibit No. 1?

13          A       As numbered, there were 27.

14          Q       Now, other than School District 14 do you have  
15 any other written document where the school district or the  
16 administration gave the charter school notice to cure or to  
17 correct within 60 days the 27 items listed in Exhibit --  
18 Joint Exhibit 1?

19          A       There was no other place, but on the letter of  
20 April 10th there is -- No. 10 has eight parts to it. So,  
21 I mean, that could be --

22          Q       Sir, those are various records which are also  
23 identified in one paragraph on Joint Exhibit 1, correct?

24          A       Correct.

25          Q       So, they were not separate items in the --

1 Joint Exhibit No. 1, they were lumped into one, correct?

2 A Correct.

3 Q The resolution was adopted at the  
4 May 21st meeting of the Board of Directors of the school  
5 district?

6 A You're talking about Exhibit 1?

7 Q Yes.

8 A There's not a date on this, so I can't be sure.  
9 MR. LITTS: Last page.

10 A I got it. Yes, it was. Yes.

11 (PMSD BOD MINUTES dated 5-21-08 marked for  
12 identification as Charter School Exhibit No. 5.)

13 MR. LITTS: Mr. Anders, I have two copies of  
14 our Charter School Exhibit 5 and, sir, am I correct that  
15 this is a copy of the Pocono Mountain School District Board  
16 of School Directors' minutes from its May 21, 2008 --

17 MR. ANDERS: Yes, one copy for you and one  
18 copy --

19 MR. LITTS: Thank you.

20 Q Sir, you have in front of you what's been  
21 marked for identification as Charter School Exhibit No. 5  
22 and if you would look under heading 8.1. Did you find that?

23 A 8.1, yes.

24 Q And that is identified as the solicitor's  
25 report -- under 8.10. Excuse me. Solicitor's report on the

1 charter school investigation, correct?

2 A Yes.

3 Q Isn't it true that 8.10 only identifies three  
4 areas of concern?

5 A Yes.

6 Q It doesn't identify 27 items of concern as set  
7 forth in Joint Exhibit No. 1, correct?

8 A Correct.

9 Q Now, 8.10 refers to an investigation by  
10 Attorney Friend. Do you see that?

11 A Yes.

12 Q When did that investigation begin?

13 MS. SCHURDAK: I'm objecting. That is  
14 attorney-client privilege.

15 MR. ANDERS: It certainly is not. When the  
16 investigation began and they publicize the investigation --  
17 when you publicize something it's not -- it's no longer  
18 subject to the attorney-client privilege.

19 MR. LITTS: With regards to when that  
20 investigation would have commenced, I'll let the witness  
21 answer the question. If he knows.

22 A I would think it would be during the time  
23 period when we had -- I'll go back -- I don't want to get  
24 the wrong date. After the charter had been approved and  
25 when we felt there were not things that we had answers to

1 and we sent the inquiry off to Attorney Langsam. So, it  
2 would be in that time frame.

3 Q Who authorized that investigation be conducted?

4 MS. SCHURDAK: Just note my continuing  
5 objection for the record.

6 MR. LITTS: Overruled.

7 A Administration.

8 Q As opposed to the school board?

9 A Well, correct.

10 Q Was the investigation ever authorized by the  
11 school board?

12 A It's the administration's response -- no, the  
13 answer is no. It's the administration's responsibility to  
14 bring its concerns to the school board.

15 Q What did Attorney Friend do to accomplish this  
16 investigation?

17 MS. SCHURDAK: Again, the same objection.  
18 Now we're really delving into attorney-client privilege.  
19 This is an investigation by Attorney Freund and while  
20 letting him -- the witness testify as to some basic  
21 parameters of that, fine, but the detail and substance of  
22 that investigation is absolutely subject to privilege.

23 MR. ANDERS: It's not attorney-client  
24 privilege. This is at a public board meeting they're  
25 talking about an investigation. This is the investigation

1 that led up to why we're here today and you're -- she's  
2 trying to tell me I can't inquire into what was done about  
3 the investigation? Suppose he said nothing?

4 MR. LITTS: Well, again, in reviewing Charter  
5 School Exhibit 5, the reference refers to specifically, as I  
6 read it, a motion to approve the resolution which I presume  
7 to be the revocation notice which we had admitted as Joint  
8 Exhibit 1.

9 So, I'm going to again, Mr. Anders,  
10 respectfully disagree with your characterization of what  
11 8.10 says in those board minutes.

12 MR. ANDERS: I can't inquire into what  
13 investigation he did?

14 MR. LITTS: Well, I didn't rule yet. To the  
15 extent that the purpose of your questioning is to elicit  
16 communications between the school district and its attorney  
17 about matters which are now in litigation I think we can all  
18 agree that would be subject to attorney-client privilege.

19 To the extent this witness has some  
20 understanding of communications he had with the charter  
21 school or documents he may have reviewed I'll give you a  
22 little bit of leeway. But, again, the germane issue for  
23 purposes of these proceedings is whether or not there's  
24 sufficient evidence to substantiate the charges set forth in  
25 Joint Exhibit 1, not whether or not something was

1 investigated or not.

2 And, again, I'll remind counsel, and it's been  
3 a while, that the school district administration, you know,  
4 has, if I remember correctly, withdrawn some of the  
5 allegations set forth in the revocation notice.

6 MR. ANDERS: That doesn't mean I can't inquire  
7 into them.

8 MR. LITTS: You can, but, again, it depends on  
9 what is germane and relevant. So, I'm going to allow you to  
10 make a limited inquiry in this area, but I just want to be  
11 clear of what the role is and what forum we're in. This  
12 isn't a civil trial, it's a Local Agency hearing, and we're  
13 trying to gather information related to the charges and  
14 that's the vein we should all be striving towards.

15 So, with that ....

16 MR. ANDERS: My understanding of the Local  
17 Agency Law and the rules governing hearings is that the  
18 Rules of Evidence, as opposed to a trial, are relaxed. So,  
19 they shouldn't be stricter here than they would be in the  
20 trial.

21 MR. LITTS: You're entitled to your opinion as  
22 are all the other counsel involved, but, again, as I said,  
23 I'm going to allow you limited scope as to questioning.

24 Q What did Mr. Friend do as his investigation  
25 notice referred to in the minutes of this meeting?

1           A       I'm uncomfortable answering that question  
2 because there are matters that are in court without a lot of  
3 detail that are discovery issues and whatnot and I don't  
4 want to cross that line. I think the exhibit says what we  
5 presented.

6           Q       I asked you, sir, what investigation he  
7 performed. Your attorney objected and it was overruled.

8           A       I said I'm uncomfortable answering and I'm not  
9 going to ....

10           MR. ANDERS: Would you direct him to answer  
11 the question, please? I don't think because the witness is  
12 uncomfortable he can say, "I don't want to answer it." He  
13 could say he's uncomfortable with what time of day it is.

14           MS. SCHURDAK: I thought your ruling was a  
15 little different than how Mr. Anders is now characterizing  
16 it.

17           MR. ANDERS: The objection was to the question,  
18 what did Mr. Friend do as a part of his investigation. She  
19 objected, you overruled it, I asked him again, and now he's  
20 not answering because he doesn't feel like it.

21           MS. SCHURDAK: No.

22           A       That's not what I said.

23           MR. LITTS: Well, that's not what I said,  
24 either. First off, the gentleman's name is Mr. Freund, not  
25 Mr. Friend.

1 MS. SCHURDAK: Thank you.

2 MR. LITTS: Second, what I stated is I would  
3 allow a limited line of questioning as long as we're not  
4 trampling into attorney-client privilege area.

5 If -- for example, if Mr. Freund had a meeting  
6 with counsel for the charter school to discuss certain  
7 issues I don't believe that's covered by the attorney-client  
8 privilege and that would be appropriate to discuss. Or,  
9 if Mr. Freund or an administrator met with certain people  
10 from the charter school to review certain documents or talk  
11 about issues that would not be protected by the  
12 attorney-client privilege and to the extent you want to  
13 question on that I'll allow you, Mr. Anders. That's my  
14 ruling and I apologize if I wasn't clearer earlier.

15 MR. ANDERS: So, I can't ask what he did as  
16 part of his investigation? That you won't --

17 MR. LITTS: I won't let you get into  
18 attorney-client privilege.

19 MR. ANDERS: What he did is not attorney-client  
20 privilege, it's what he did. So, you're basically telling  
21 me I can't inquire into the background of the 27 reasons why  
22 the charter should be revoked.

23 MR. LITTS: I never said that. You haven't  
24 done that. What you've done, sir, is you have asked a  
25 series of questions in a manner where there's been some

1 confusion in the mind of the hearing officer or opposing  
2 counsel and the witness. If you want to ask about the  
3 substance of the reasons the school district is relying upon  
4 to support the revocation to the extent this witness  
5 testified you're free to ask questions.

6 MR. ANDERS: But I'm talking about this --  
7 from this document. It's the attorney who did the  
8 investigation, not this person or somebody else. It says  
9 here "indicated the district has found evidence." I think I  
10 think I'm allow to inquire about what this gentleman did.  
11 That's not attorney-client privilege.

12 MR. LITTS: Well, then, I'll overrule and --  
13 sustain the objection. Excuse me. The purpose of the  
14 minutes -- they speak for themselves. The purpose of the  
15 minutes are to reflect that the board took official action  
16 to approve the revocation notice which is before you and  
17 you've had the opportunity to ask questions of this witness  
18 and I'll continue to allow you to do that. But, otherwise,  
19 the objection is sustained.

20 Q It states here "Attorney Freund stated that the  
21 district believes that the charter school has blurred the  
22 line between church and state." What did Mr. Friend do to  
23 be able to make that statement?

24 MR. LITTS: I have already sustained the  
25 objection. If you want to ask the question what the school

1 district believes supports that allegation you're free to  
2 ask that question.

3 Q The next line says, "The Board of  
4 Education ...." Who is that referring to?

5 A The Pocono Mountain School District Board of  
6 Education.

7 Q Okay. And it says there "Attorney Freund  
8 presented the resolution at this meeting." Do you see that?

9 A Yes.

10 Q When was that resolution prepared?

11 A I'm not sure. I would assume a few days before  
12 the meeting.

13 Q Who was involved in the preparation of that  
14 resolution?

15 MS. SCHURDAK: To the extent it involves  
16 attorney-client privilege, I object. I don't object to the  
17 extent that it's other third parties, so to speak, within  
18 the administration.

19 MR. ANDERS: I think we should allow Ms.  
20 Schurdak to conduct the cross examination and that way  
21 everything will be fine.

22 MR. LITTS: Sarcasm aside, Mr. Anders, again,  
23 what is relevant for purposes of this hearing, the reason  
24 your client is facing revocation, is what's set forth in the  
25 resolution setting forth the allegations. If you want to

1 ask questions about what the school district factually is  
2 relying upon to support that you're free to do that.

3 MR. ANDERS: I'm asking about these minutes and  
4 what's stated in these minutes which was stated in public.

5 So, you're telling me I can't ask who  
6 prepared -- who was involved in the preparation of the  
7 resolution based upon which we're here today? You're  
8 telling me I can't even ask that because of attorney-client  
9 privilege? It's a public document. It's like filing a  
10 complaint. If you ever attended depositions "Who prepared  
11 the complaint?"

12 MR. LITTS: Are you done, sir?

13 MR. ANDERS: Yeah.

14 MR. LITTS: All right.

15 MR. ANDERS: So, your ruling is I can't ask  
16 that question.

17 MR. LITTS: No. What Ms. Schurdak objected to  
18 was to the extent there is consultation with counsel with  
19 regards to the preparation of the document, those  
20 conversations are protected by the attorney-client  
21 privilege, and she's concerned we're getting into that.

22 If your question is of this witness who had  
23 involvement in that you can answer that question, but  
24 inevitably if you're going to go down the road of who said  
25 what to whom we'll have this objection again and whether or

1 not, quite frankly, the resolution was prepared by any  
2 number of individuals -- while you may place great relevance  
3 to that -- I mean, the board will look at the evidence.  
4 You can ask your question.

5 MR. ANDERS: Can he answer the question now?

6 MR. LITTS: Yes.

7 Q Who was involved in the preparation of Joint  
8 Exhibit No. 1?

9 A As with all board resolutions, there can be  
10 clerical involvement, there can be administrative  
11 involvement, and there can be legal advice playing into  
12 that involvement.

13 Q Who was involved in putting together the  
14 substance of the allegations contained in Joint Exhibit  
15 No. 1?

16 MS. SCHURDAK: Same objection. To the extent  
17 that it invades attorney-client privilege I am objecting.  
18 To the extent that the answer may involve what happened on  
19 the -- within the administration, no objection.

20 MR. ANDERS: If the attorney prepared it that  
21 still is not an attorney-client privilege. It's not a  
22 communication between the attorney and the client, it's  
23 preparing something that's going to be voted on and  
24 submitted to the school district.

25 MR. LITTS: I'll sustain the objection.

1 Let's move on to a different area. That's not what the  
2 board is going to be focusing on. The board is going to be  
3 focusing on the allegations and the evidence that support  
4 that allegation or not. That's what we're tasked to do.  
5 Let's move on.

6 Q When the board voted did they have the  
7 resolution, Joint Exhibit No. 1, in front of them?

8 A Yes.

9 Q What information did Attorney Friend request  
10 from the charter school as part of his investigation?

11 A I'm not comfortable answering for him.

12 MS. SCHURDAK: Objection.

13 Q Did Mr. Friend meet with any representatives of  
14 the charter school as a part of the investigation?

15 A I don't know.

16 Q Where did the facts come from for the  
17 preparation of Joint Exhibit No. 1?

18 A The facts came from any materials that we had  
19 gathered prior to the renewal of the charter and subsequent  
20 to the renewal of the charter.

21 Q What information did you gather was -- had to  
22 do with prior to the renewal of the charter?

23 A Those things that we discussed in making the  
24 various points of the charter in terms of --

25 Q I'm asking you specifically what information

1       you just talked about did you accumulate before the charter  
2       was renewed?

3                   MS. SCHURDAK: I'm going to object. The  
4       witness was answering the question and was interrupted by  
5       Mr. Anders.

6                   MR. LITTS: I'll remind counsel to give all the  
7       witnesses an opportunity to answer questions.

8                   A       I can't recall every single piece of data,  
9       but certainly those things that are passed along as part of  
10      state reporting, those things that are shared with us, the  
11      things maybe Mr. Kelly had spoken to them about.

12                  Q       Would you identify one or two of them for me,  
13      please?

14                  A       I know Mr. Kelly looked at -- prior to the  
15      charter or after the charter?

16                  Q       My question was prior to the renewal of the  
17      charter.

18                  A       Well, I do know that he was looking at the  
19      financial end of the operation.

20                  Q       Okay. And wasn't that addressed in the  
21      renewal?

22                  A       Yeah, there were elements put in there for the  
23      renewal, yes.

24                  Q       So, why was it necessary for the school  
25      district to review pre-renewal information as part of the

1 revocation notice?

2 A Because after the renewal of the charter it was  
3 felt that documents were not being shared with us.

4 Q What specific documents were not being shared?

5 A Documents about Special Education, documents  
6 about the conditions of the lease that we had asked  
7 questions on, documents about which you referred to  
8 previously about the appraisal, things of that nature.

9 Q And what documents about Special Education  
10 weren't provided?

11 A Well, we had concerns about students, again,  
12 transferring in and out of the charter school and we were  
13 told that we weren't permitted to have those documents and  
14 we thought they were of concern to us.

15 Q And my question to you was what specific  
16 documents are we talking about?

17 A I would have to defer to our Special Ed.  
18 department on that.

19 Q So, your answer is you don't know.

20 A No, my answer --

21 MS. SCHURDAK: Objection. That's a  
22 mischaracterization of the witness's answer.

23 MR. LITTS: He answered the question. Move on.

24 Q The charter was renewed on November 15th, 2006,  
25 correct?

1           A       Correct.

2           Q       And your letter, School District Exhibit 14,  
3 is approximately five months later, correct?

4           A       Yes.

5           Q       How long after the charter was signed was it  
6 before Mr. Friend's investigation started?

7                   MS. SCHURDAK: Again, I think the timing of the  
8 beginning of the investigation is subject to attorney-client  
9 privilege.

10                   Additionally, I'm not sure even how this line  
11 of questioning is relevant. We're here on some of the items  
12 listed in Joint Resolution [sic] 1. What happened before  
13 the renewal of the charter really isn't relevant.

14                   MR. LITTS: I'm going to sustain the objection.  
15 I mean, we've gone about this today several different ways,  
16 it's been asked several different ways, it's been answered,  
17 some things. Let's move on.

18           Q       You testified at the last hearing that the  
19 charter school satisfactorily addressed some of the issues  
20 raised in Exhibit 14 and others they did not. Which issues  
21 raised in Exhibit -- School District 14 were satisfactorily  
22 addressed?

23           A       I would have to get the document that the --

24           Q       You have it in front of you, sir. It's at Tab  
25 46. We have been referring to that exhibit all morning.

1           A       You didn't let me finish. We have another  
2 document that states the items that we dropped and I don't  
3 have that in front of me.

4           Q       I'm not talking about the charter from this  
5 hearing, I'm talking about your letter, which you testified  
6 at the last time that the school district -- or the charter  
7 school satisfactorily addressed certain of the items in this  
8 correspondence. It's not identified. I want to know which  
9 ones.

10          A       Which exhibit number was that?

11          Q       Exhibit No. 14, Tab 46.

12          A       I believe if you look at No. 10 they're were  
13 certain items in there that regarded state reporting, that  
14 the emergency crisis plan was done. I think we received a  
15 professional development plan. They were largely some items  
16 under No. 10.

17          Q       So, items under No. 10 --

18          A       A copy of the most recent violent weapons  
19 report.

20          Q       If we could, let's look at Joint Exhibit No. 1  
21 and what does 27 say?

22                   MS. SCHURDAK: I'd ask Mr. Anders not to  
23 stand --

24                   MR. ANDERS: I don't have a copy of the charter  
25 in front of me. I'm just pointing it out to him.

1 MS. SCHURDAK: I don't want you to intimidate  
2 him. Well, you were standing less than 5 inches away from  
3 the witness.

4 MR. ANDERS: And pointing to a document.

5 A Do you want me to say what it says?

6 Q Read it, please, out loud.

7 A Thank you. "The charter school has failed to  
8 timely submit all required reports including, but not  
9 limited to, the elementary and secondary professional  
10 personnel report, ELL required reports, and reports to the  
11 Department of Health and appropriate entities pursuant to  
12 Paragraph No. 18 of the charter."

13 Q So, which records in Paragraph 10 of School  
14 District 14 are not included in the paragraph which you just  
15 read?

16 A Which are not included?

17 Q Yes.

18 A In ....

19 Q Which reports in Paragraph 10, School District  
20 14, are not included in Paragraph 27 of the revocation  
21 notice?

22 A The emergency crisis plan, the professional  
23 development plan, a complete copy of the employees benefit  
24 package, a copy of the data supporting the highly qualified  
25 status of all teaching staff members.

1           Q       Those are the ones that were not included in  
2 the broad brush of 27.

3           A       Right.

4           Q       Which ones -- which reports are referred to in  
5 Paragraph 27?

6           A       Professional personnel report, ELL required  
7 reports, and reports to the -- required to the Department of  
8 Health.

9                   MS. SCHURDAK: For the record, the  
10 administration is not proceeding for grounds of revocation  
11 pursuant to Paragraph No. 27 in Joint Exhibit No. 1.

12                  MR. ANDERS: It's there. It's an exhibit.  
13 I'm allowed to ask questions about exhibits.

14                  MR. LITTS: Wait a second. I don't have the  
15 document in front of me, but I know at some point in time  
16 Attorney Schurdak did provide to Charter School counsel a  
17 letter advising that the administration was withdrawing  
18 certain charges and you're representing to the hearing  
19 officer and the board that Charge No -- what is it?

20                  MS. SCHURDAK: 27.

21                  MR. LITTS: Has been withdrawn?

22                  MS. SCHURDAK: I am and at the lunch break I  
23 will look for that document. It may be two separate  
24 letters, actually, Officer Litts, that I wrote advising you  
25 and counsel of which of the 27 initial grounds we are now

1 proceeding under.

2 MR. LITTS: If that's the case, Mr. Anders,  
3 why are we going down this road?

4 MR. ANDERS: Because it's cross examination on  
5 the document that was prepared for the school district and  
6 sets forth the charges. The fact that a charge was -- is  
7 withdrawn doesn't mean I can't ask questions about it. If I  
8 have a complaint alleging something and I say, "Oop. I'm  
9 withdrawing it," doesn't mean the other side can't ask  
10 questions about it. If I have a criminal charge and that  
11 criminal charge is withdrawn it doesn't mean I can't ask  
12 questions about it.

13 MR. LITTS: Well, I'm going to sustain the  
14 objection. I mean, one of the things -- and I want this  
15 clear for the record that there's been numerous  
16 conversations between counsel, there's been discovery,  
17 there's been several pieces of civil litigation in Monroe  
18 County Court of Common Pleas about the charter school and  
19 the school district here.

20 Again, the school district administration is  
21 tasked with presenting a Notice of Revocation. The board is  
22 focusing on whether or not sufficient evidence exists for  
23 the grounds that are being brought. In my mind, it's a  
24 colossal waste of everyone's time and resources dwelling on  
25 something that no one is proceeding with on revocation.

1                   So, I am going to sustain the objection. We  
2 can move on to something which is actually relevant to these  
3 proceedings which -- whether or not there's a basis to  
4 revoke on and no one is saying 27 is the basis to revoke on  
5 based on what Ms. Schurdak is representing.

6                   Q       Who helped you, if anyone, prepare School  
7 District Exhibit No. 14?

8                   A       Is that No. 46 again?

9                   Q       Yes.

10                  A       Members of the administration.

11                  Q       Which members of the administration?

12                  A       It could have been any number. Certainly,  
13 the business office and I don't recall who else it would  
14 have been; people in charge of ELL, people in charge of  
15 special reports coming in, things that are listed there.

16                  Q       Do these people have names?

17                  A       Yes.

18                  Q       Would you name them, please?

19                  A       They were probably members of the cabinet that  
20 you named earlier today.

21                  Q       Probably or were?

22                  A       Some.

23                  Q       Who? Which members of the cabinet helped you  
24 prepare School District --

25                  A       I don't recall specifically who. We act as an

1 administrative team, so I can't say who prepared each piece,  
2 but certainly they have jobs that would place them in a  
3 position to provide information.

4 Q So, the only issue addressed in School District  
5 14 was Paragraph 10 in part?

6 A The only issue addressed by what?

7 Q You earlier testified and you testified at the  
8 last hearing that the charter school satisfactorily  
9 addressed some of the issues raised in School District 14.  
10 Today I asked you which ones they satisfactorily addressed  
11 and you indicated in part Paragraph 10. Is that the only  
12 one that they satisfactorily addressed?

13 A I believe that would be correct.

14 Q Isn't it true that much of the information  
15 requested in School District 14 could have been requested as  
16 part of the charter renewal process?

17 A Yes.

18 Q And it wasn't, correct?

19 A It was shortly thereafter.

20 Q I didn't ask you that, sir. It wasn't --

21 A I'm trying to give you an answer as to when it  
22 was. I mean ....

23 Q My question very simply was it wasn't requested  
24 as part of the renewal process.

25 MS. SCHURDAK: Mr. Litts --

1           A       Yes, it was.

2                   MS. SCHURDAK: I would ask the witness be  
3 allowed to fully answered.

4           A       I think it was asked for during the renewal  
5 process. A lot of the answers to that, and I would have to  
6 pull out the new charter, would be pieces of the new  
7 charter; things about the lease agreement, things about the  
8 salaries, most everything in there.

9           Q       So, as part of the renewal process an appraisal  
10 of the market rent was requested?

11          A       I don't believe we asked for an appraisal.

12          Q       And was information requested, written  
13 documentation, concerning the allocation between the church  
14 and the school as part of the renewal process?

15          A       Allocation of ....

16          Q       Expenses.

17          A       For the property and the -- that you're talking  
18 about, the lease agreement?

19          Q       Paragraph 2 of your letter, School District 14,  
20 says, "The district requests written documentation noting  
21 specific allocation of expenses between the two separate  
22 entities." Do you see that?

23          A       Yeah.

24          Q       Was that requested as part of the renewal  
25 process?

1           A       No.

2           Q       At the time of the renewal application isn't it  
3 true that the administration and the school board was aware  
4 that the facility in question was used in part by the church  
5 and in part by the school?

6           A       Yes.

7           Q       In fact, the school district had been aware of  
8 that since the initial application for a charter, correct?

9           A       I can only speak to it from 2005 on.

10          Q       Well, from 2005 on you were aware that the  
11 church occupied part of the facilities, correct?

12          A       Yes.

13          Q       As part of the renewal process did the school  
14 district request minutes of the meeting of the board of  
15 trustees of the charter school?

16          A       I don't recall if it was part of the renewal  
17 process, but we certainly requested.

18          Q       My question specifically, sir, was it requested  
19 as part of the renewal process?

20                   MS. SCHURDAK: Again --

21          A       I said, I don't know.

22                   MR. ANDERS: Thank you.

23                   MS. SCHURDAK: Objection, and the witness is  
24 continually cut off by Mr. Anders.

25                   MR. LITTS: He answered the question. Move on.

1           Q       Now, the first sentence of Paragraph 4,  
2       School District 14, I'll read and you tell me if I've read  
3       it correctly. "All meetings of the board of trustees must  
4       be advertised and the school district must be informed of  
5       such meetings so that it can arrange to have a represen-  
6       tative present as per the charter." Did I read that  
7       correctly?

8           A       No. 4?

9           Q       Yes.

10          A       First sentence?

11          Q       Yes. And at the time you wrote that isn't it  
12       true you knew that no liaison had been appointed per that  
13       condition in the charter?

14          A       Yes.

15          Q       As part of the renewal process did the district  
16       request copies of the advertisement for board meetings of  
17       the charter school board of trustees?

18          A       I believe we did.

19               MR. ANDERS: Could I have a second?

20               (Off record.)

21          Q       If you look at Paragraph 5 ... the second  
22       sentence says, "Any and all documents must be provided to  
23       the school district for review." Do you see that?

24          A       Yes.

25          Q       And the school district has the right to

1 approve those.

2 A Approve them, no.

3 Q As part of the renewal process did the school  
4 district request from the charter school any procedure used  
5 for bids?

6 A Not that I recall, but we did shortly  
7 thereafter.

8 Q When was shortly thereafter?

9 A 2007.

10 Q Are you talking about your April 10th letter?

11 A No.

12 Q What are you talking about?

13 A I'm talking about when we wanted clarification  
14 as to why certain measures of the agreed upon charter were  
15 not met.

16 Q What other correspondence do you have that  
17 relates to that other than School District 14?

18 A The letter to Mr. Langsam from Mr. Freund.

19 Q That was sent after your letter, was it not?

20 A Yeah, I believe so, yeah.

21 Q So, that wasn't sent before April of 2007,  
22 correct?

23 A No.

24 Q So, what written request was sent to the  
25 charter school requesting that information before your

1 letter of April 10, 2007?

2 A None that I can recall.

3 Q And isn't it true that as part of the renewal  
4 application the charter school was required to submit  
5 minutes of the meetings of the board of trustees?

6 A I believe so.

7 Q Well, was it requested or wasn't it requested?

8 A I don't recall.

9 Q Now, with regard to No. 60, accreditation  
10 through the Middle States Association, isn't it true that  
11 information was provided in that regard?

12 A Yes, it was.

13 Q But you didn't think that was satisfactory?

14 A Well, we hadn't been updated on the process.

15 Q Well, after that, in response to your Paragraph  
16 No. 6, didn't Mr. Langsam, when he wrote, provide you with  
17 information from the Middle States Association?

18 A Yes.

19 Q So, was No. 6 satisfactorily responded to,  
20 then?

21 A No.

22 Q Why not?

23 A Because we didn't feel we had enough  
24 information to satisfy that it was actually going to happen.

25 Q I see. Now, as part of the application process

1       isn't it correct that the resumes of the CEO and assistant  
2       CEO of the charter school were presented?

3           A       Yes.

4           Q       And isn't it true that also as part of this  
5       application process job descriptions were presented?

6           A       Correct.

7           Q       For the CEO and assistant CEO.

8           A       I wouldn't characterize them as job  
9       descriptions.

10          Q       Information was submitted, correct?

11          A       Yes.

12          Q       Yet you felt it necessary to ask for that same  
13       information approximately five months later, correct?

14          A       We felt they were incomplete.

15          Q       Why didn't you ask for that as part of the  
16       renewal application?

17          A       As I recall, we didn't receive it in the  
18       application process, but we thought in good faith that the  
19       charter school would provide it and when they didn't that's  
20       when we got the legal team involved.

21          Q       Isn't it true that the school district had that  
22       information on record from the initial application for  
23       charter?

24          A       Not that I had seen. I don't recall seeing it.

25          Q       You weren't here for --

1 A Wasn't here for that.

2 Q -- Pastor Bloom's testimony about that?

3 A I was here for his testimony about that.

4 Q You don't recall him being asked as to whether  
5 or not that information was provided to the school district  
6 from Day 1?

7 A I don't recall specifically.

8 Q As part of the renewal application did the  
9 district request information on employees employed by the  
10 charter school who may also have been employed by the  
11 church?

12 A Yes.

13 Q And was that information received?

14 A Not to my recollection.

15 Q So, we didn't get the -- your recollection,  
16 we didn't get the resumes, we didn't get the job  
17 descriptions, we didn't get this information, and the  
18 charter was still renewed.

19 MS. SCHURDAK: Objection. That's a  
20 mischaracterization of the witness's answers. And, the  
21 question has already been asked and answered.

22 MR. LITTS: Also argumentative, so I'll sustain  
23 the objection.

24 MS. SCHURDAK: And I don't know when would be a  
25 good time to take a break, but I know I do need to use the

1       restroom.

2                   MR. LITTS:  It is 12:30 and I intended to have  
3       a lunch break and neglected to ask our stenographer.  Would  
4       now be a good time to take a lunch break?

5                   MR. ANDERS:  I don't care.

6                   MR. LITTS:  Well, with that, why don't we take  
7       a lunch break?  I have that it's roughly 12:30, 12:35, and  
8       let's be back here approximately in one hour.  Thanks.

9                   (Recess from 12:35 p.m. to 1:41 p.m.)

10                  MR. LITTS:  Let's get back on the record.  
11       Dr. Pfennig, if you will come back to the stand.  You may  
12       proceed, Mr. Anders.

13                               - - -

14       CONTINUED EXAMINATION BY MR. ANDERS:

15                  Q       Superintendent, I was questioning you about  
16       your letter of April 10, 2007, School District 14, and I did  
17       ask you about the second sentence of Paragraph 5.  "Any and  
18       all documents must be provided to the school district for  
19       review."  That's not set forth in the charter, is it,  
20       conditions of the charter?

21                  A       No.

22                  Q       Now, with regard to Paragraph No. 3, the  
23       information requested in that paragraph could have been  
24       requested during the renewal application process, correct?

25                  A       Yes.

1 Q And wasn't?

2 A Correct.

3 Q But the charter school did submit expenditure  
4 reports to the district which showed which payments had been  
5 made by the charter school, correct?

6 A I believe so.

7 Q Well, that's what Paragraph 3 of your letter  
8 says.

9 A Yes.

10 Q What expenditures referenced in that paragraph  
11 did the charter school make for the maintenance -- for  
12 maintenance that were the responsibility of the landlord?

13 A I believe the paragraph was referring to the  
14 lease; should be the responsibility of the landlord such as  
15 maintenance, utilities, facility upgrades. I don't think it  
16 referenced any specific payments.

17 Q Excuse me?

18 A I don't think it referenced any specific  
19 payments.

20 Q You would agree with me that the word lease  
21 isn't used here and what is said, what is used is the word  
22 expenditure reports, correct?

23 A Yes.

24 Q That's what it refers to, the expenditure  
25 reports that were submitted by the charter school.

1           A       Correct.

2           Q       So, based on those expenditure reports what  
3 expenditures did the charter school make for maintenance  
4 that were the responsibility of the landlord?

5           A       Well, not having reviewed it myself, I'm  
6 assuming it would have been for these things that are  
7 mentioned there, utilities.

8           Q       Well, that's -- maintenance is one. Would you  
9 agree with that?

10          A       Yes.

11          Q       And then it says utilities is another.

12          A       Yes.

13          Q       And facility upgrades is another and electrical  
14 work is another, correct?

15          A       Mm-hmm.

16          Q       So, for any those categories what expenditures  
17 did the charter school make that were the responsibility of  
18 landlord?

19          A       I don't have those reports in front of me, so I  
20 would have to see what they were.

21          Q       So, you have no independent recollection of the  
22 basis for writing this letter. That paragraph of this  
23 letter.

24          A       No.

25          Q       If you would look at Paragraph 8. Isn't it

1 true that the information set forth in the first sentence of  
2 that paragraph could have been requested as part of the  
3 renewal application?

4 A Yes.

5 Q And is it also true that that information was  
6 not questioned as part of the -- requested as part of the  
7 application renewal process?

8 A Yes.

9 Q Does the charter require 75 percent of the  
10 charter school teachers be currently certified?

11 A Yes.

12 Q And which condition of the charter is that?

13 MS. SCHURDAK: For the record, that is not one  
14 of the charter school conditions that the administration is  
15 seeking revocation.

16 MR. ANDERS: I am questioning the witness about  
17 an exhibit that he prepared.

18 MR. LITTS: What exhibit are we referring to?

19 MR. ANDERS: School District 14.

20 A I'm sorry, your question again?

21 Q Let's do it this way. The first sentence of  
22 No. 9 says, "The district requests documentation  
23 substantiating that 75 percent of the charter school  
24 teachers are currently certified." Is that contained in the  
25 conditions of the charter?

1 A No.

2 Q That information was supplied, though, was it  
3 not, by Mr. Langsam in response to your letter?

4 A Yes.

5 Q So, Paragraph No. 9, in addition to Paragraph  
6 No. 10 of the letter, was satisfied, correct?

7 A I believe most of No. 10, yes.

8 Q Paragraph 9 was satisfied, too, correct?

9 A Yes.

10 Q Isn't it true, sir, that the minutes of the  
11 meetings of the board of trustees of the charter school were  
12 supplied to the school district on a regular basis?

13 A Not to my knowledge.

14 Q Well, would they have been supplied to you or  
15 some other member of the administration?

16 A They could have been dropped off at the front  
17 desk, they could have been given to any member of the  
18 administration and no one recollects that occurring until  
19 the last three months.

20 Q So, Mr. Kelly had no recollection of receiving  
21 those minutes from the --

22 A I can't speak to Mr. Kelly's recollection.

23 Q Isn't it true that the school district received  
24 payroll records of the charter school on a regular basis?

25 A I can't speak to that. That probably would

1 have gone to Mr. Kelly, if it came, but he never made it  
2 known to me that he did receive them. I know he did examine  
3 them when he went there and I believe that was in March of  
4 2007, the last time I had a record of that, but I don't  
5 remember him making any specific note to me that he received  
6 payroll records.

7 Q Now, sir, the information concerning the  
8 salaries of the CEO and assistant CEO would have been --  
9 and principal would have been sent along as payroll records,  
10 correct?

11 A Should have been.

12 Q Do you know if they were or not?

13 A I didn't see the records, so I can't attest to  
14 that.

15 Q But you never inquired about any of the payroll  
16 records.

17 A No, I did not.

18 Q Isn't it true that the CEO, assistant CEO, and/  
19 or the principal of the charter school did not receive a pay  
20 raise between November 15, 2006, and April 10th, 2007?

21 A That I don't know.

22 Q Isn't it true, sir, that the board of trustees  
23 of the charter school was authorized to determine the rent  
24 that it would pay?

25 A Yes.

1           Q       The school district didn't have any veto power  
2 on that, correct?

3           A       Correct.

4           Q       Now, you testified with regard to Special  
5 Education that certain of your concerns were not addressed  
6 to your satisfaction, correct? Do you recall that?

7           A       In my testimony, yes.

8           Q       And, so, what you -- in response to that you  
9 filed a complaint with the Department of Education, correct?

10          A       Correct.

11          Q       And based upon that the Department of Education  
12 took some action to make some certain determinations,  
13 correct?

14          A       Yes, they did.

15          Q       And those determinations that were made were  
16 not what you were looking for, were they?

17          A       Would you define what I was looking for?

18          Q       You wanted the charges -- the Department of  
19 Education to take action, disciplinary action against the  
20 charter school.

21          A       I was looking for them to take disciplinary  
22 action if that's what they chose to do about the manner in  
23 which they were dealing with certain students.

24          Q       Now, you told us that the school district  
25 was entitled to information that you requested on Special

1 Education based upon Condition 32 of the charter. Would you  
2 look at Condition 32 of the charter?

3 A Is that No. 1?

4 Q No, 5.

5 A 5. Yes.

6 Q Do you have it?

7 A Yeah, I have it.

8 Q Condition 32 says the charter school shall  
9 fully comply with the requirements of the Family Education  
10 Rights and Privacy Act, correct?

11 A Correct.

12 Q It doesn't say that the school district shall  
13 make a determination or have the right to make a  
14 determination if the charter school is in compliance with  
15 that act, does it?

16 A No, but No. 31 also deals with IDEA, so ...  
17 yeah.

18 Q Yeah? 31 doesn't say anything about it,  
19 either, does it, about the school district having the right  
20 to make the determination of whether or not the charter  
21 school is in compliance.

22 A To make that determination, no, only the  
23 Department Of Education can do that.

24 Q Now, at the last hearing you told us in  
25 response to one of Ms. Schurdak's questions about how

1 concerned you were about Special Education students and  
2 their needs, things of that nature. Do you recall that?

3 A Yes.

4 Q Isn't it true that you and the school district  
5 were sued by a former student and his parents in a Civil  
6 Rights action based upon that student being denied Special  
7 Education?

8 MS. SCHURDAK: Objection, relevance.

9 MR. LITTS: Sustained.

10 MR. ANDERS: He testified before --

11 MR. LITTS: Sustained.

12 MR. ANDERS: -- testified that --

13 MR. LITTS: Sustained.

14 MR. ANDERS: -- his concern ... credibility is  
15 always an issue.

16 Q If you would look at the revocation resolution,  
17 which I believe is Joint 1.

18 A Mm-hmm.

19 Q Do you have it?

20 A Yes.

21 Q Paragraph 1, if you would read that, please.

22 A No. 1 or just the beginning?

23 Q Paragraph No. 1.

24 A "Operation of the business and educational  
25 program of the charter school in such a manner as to

1 constitute an unconstitutional entanglement of church and  
2 state.

3 Q Who made that determination?

4 A The administration had questions about the  
5 records being clear as to how the money was flowing and that  
6 the -- I don't know what the correct legal term is it for  
7 it. That there was no, I guess, entanglement.

8 Q Excuse me?

9 A The administration had a concern that because  
10 of the excessive lease, because of what we considered the  
11 excessive lease, because of some of the concerns we had  
12 financially it wasn't clear to us how the financial  
13 operation was working.

14 Q So, the entanglement you're talking about is  
15 dollars and cents that you didn't know about as far as what  
16 charter schools paid in rent?

17 A And probably the reporting of it, too. You  
18 know, to us through the visits of Mr. Kelly.

19 Q Well, in your letter of April 10th, School  
20 District Exhibit 14, you reference expenditure reports being  
21 submitted by the charter school that address such things as  
22 maintenance and utilities, correct. So -- didn't you  
23 reference that in your letter?

24 A Yes.

25 Q So, the school district, then, was receiving on

1 an ongoing basis expenditure reports from the charter school  
2 which delineated monies it was spending, correct?

3 A Right. Correct.

4 Q Was Paragraph No. 1 of the resolution,  
5 revocation resolution, ever discussed with any  
6 representatives of the charter school? Other than simply  
7 sending them the letter.

8 A That particular paragraph? No.

9 Q Yes.

10 A No.

11 Q So, you never sat down in an attempt to  
12 cooperate -- you or any other administrator ever sat down in  
13 an effort to cooperate with the charter school and address  
14 that issue, correct?

15 A I think Mr. Kelly made a point of some issues  
16 in the business operations that needed to be clarified with  
17 the charter school.

18 Q You don't know what those were, do you?

19 A Well, I mean, I can go back to the  
20 generalizations I did before.

21 Q I want to know specifics, sir, not  
22 generalizations.

23 MS. SCHURDAK: I object. Again, the witness is  
24 cut off by Mr. Anders.

25 MR. ANDERS: He said he could go back and make

1 the generalizations as before and I said I wanted specifics.

2 MR. LITTS: You don't know if he can provide  
3 those specifics, so let him answer.

4 A It dealt with the lease amount, it dealt with  
5 bidding, it dealt with the finances in general, and then I  
6 believe, you know, Mr. Kelly asked for some additional  
7 supplemental materials and a report on those.

8 Q And Mr. Kelly received those materials,  
9 correct?

10 A As far as I know, he didn't.

11 Q How would you know that?

12 A Because he would have told me.

13 Q When was the last time you had any  
14 conversations with Mr. Kelly about that information?

15 A I can't recall. He hasn't been here in four  
16 years, so it would have to be well before that and well  
17 before the time of renewing -- around the time of renewing  
18 the charter or shortly thereafter.

19 Q So, if I understand you correctly, at the time  
20 of the revocation -- sorry, the renewal application that  
21 information was requested or wasn't requested?

22 A The last conversation I can remember having  
23 with Mr. Kelly would have been around March, 2007, and I  
24 think that would have been after -- prior to revocation,  
25 after approval of the charter.

1 Q Please read No. 2 of the revocation resolution.

2 A "Violated its charter, specifically Condition  
3 No. 10, by having a majority of the members of the charter  
4 school board of trustees who are also members of the Shawnee  
5 Tabernacle Church."

6 Q At the time that revocation notice was written  
7 who were the members of the board of trustees who were also  
8 members of the church?

9 A I don't have any.

10 Q You don't know.

11 A No.

12 Q And isn't it true at the time that that  
13 resolution was prepared you didn't know, either?

14 A I'm not sure. It depended on which list I  
15 looked at that day or what information was provided for me.

16 Q Was that issue ever discussed with the  
17 representatives of the charter school?

18 A Not with me.

19 Q With anybody from the administration?

20 A It was discussed at the -- at the meeting that  
21 we had prior to the renewal about the conditions for  
22 renewal. I believe that was May 17th, 2007 or '6, I can't  
23 remember now, but -- when both groups were there. The  
24 charter school was represented by counsel as were we.

25 Q Please read the third paragraph of that

1 resolution, No. 3.

2 A "Violated its charter by having members of the  
3 board of trustees for the charter school serving with some  
4 form of indirect --"

5 Q Who are the members of the board --

6 A You didn't let me finish reading. I mean,  
7 I'll help you, but give me a break. "... remuneration and  
8 engaging in business transactions in violation of Condition  
9 No. 9 within the charter."

10 Q Who were the members of the board who, while  
11 serving, received some form of remuneration?

12 A I don't recall the names.

13 Q Did you ever know the names?

14 A Yeah. One of them was referred to me as  
15 someone who had done some building, but I don't know who  
16 that was. That's all I can recall about it.

17 Q What business transactions are referred to in  
18 Paragraph 3?

19 A The only one I can recall was a person who had  
20 done some work at the school and I'm not even sure what that  
21 was.

22 Q Did they do the work while they were on the  
23 board of trustees or prior to when they were on the board of  
24 trustees?

25 A I don't recall.

1           Q       Did they receive remuneration before they  
2 became member of the board of trustees or after they became  
3 a member of board of trustees?

4           A       I think information was provided to me that it  
5 probably was while they were a member. Otherwise, we  
6 wouldn't have put that in.

7           Q       What information was that?

8           A       I don't know.

9           Q       Please read Paragraph No. 4.

10          A       "Failure of the board of trustees to file  
11 Ethics Act statements annually."

12          Q       Who made that determination?

13          A       That was probably done through -- looking  
14 through the records and the minutes either by Mr. Kelly or  
15 someone in our central office.

16          Q       Probably, but you don't know, correct?

17          A       No, I would say I know.

18          Q       Well, who specifically obtained that  
19 information and gave it to you?

20          A       I don't recall.

21          Q       When did they give it to you?

22          A       Prior to the writing of this notice.

23          Q       How far before you wrote that --

24          A       I don't know.

25          Q       Was that issue ever discussed with the

1 representatives of the charter school?

2 A Not by me.

3 Q Were you privy to any conversations where it  
4 was discussed with the charter school?

5 A No. Other than someone reporting to me that it  
6 wasn't done.

7 Q Please read Paragraph No. 5.

8 A "Payment of excessive salary and benefits to  
9 the CEO."

10 Q Isn't it true that no one from the school  
11 district reviewed salaries of CEOs of other charter schools  
12 before making that determination?

13 A I don't know. We reviewed salaries of school  
14 administrators.

15 Q I didn't ask you about --

16 A And principals and superintendents who are  
17 considered CEOs.

18 Q I asked you specifically, sir, about CEOs for  
19 charter schools.

20 A Not to my knowledge.

21 Q Excuse me?

22 A Not to my knowledge.

23 Q What was the CEO of the charter school being  
24 paid when the revocation resolution was written?

25 A To my knowledge, I believe it was about

1       \$120,000.00. I can't be sure exactly what it was. It was  
2       somewhere in that neighborhood.

3               Q       Was that ever -- that determination ever  
4       discussed with any representative of the charter school?

5               A       No.

6               Q       Please read No. 6.

7               A       "Violation of the procedure pursuant to IRS  
8       regulations in establishing not-for-profit salaries."

9               Q       What IRS regulations are being referred to in  
10      that paragraph.

11               MS. SCHURDAK: Again, for the record, this is  
12      one of the grounds that the administration is not proceeding  
13      on for revocation.

14               MR. LITTS: That's what I thought. So, let's  
15      move on.

16               Q       Please read No. 7.

17               A       "Violation of State Ethics Law by employment of  
18      relatives by the charter school and creating conflicts of  
19      interest."

20               Q       Who were the relatives that are referred to in  
21      that paragraph?

22               A       As reported to me, it was I believe -- and it  
23      came from Mr. Kelly -- the wife of Pastor Bloom and also  
24      his -- I believe it was his son.

25               Q       When the renewal application was submitted

1 Pastor Bloom's wife was listed as the assistant CEO,  
2 correct?

3 A Yes.

4 Q So, you already knew she worked at the school.

5 A Correct.

6 Q And the charter was renewed with that  
7 knowledge, correct?

8 A Correct.

9 Q Well, what sections of State Ethics Law were  
10 violated as set forth in that paragraph?

11 MS. SCHURDAK: Objection. That calls -- that's  
12 a legal conclusion.

13 MR. ANDERS: Am I allowed to make any inquiries  
14 about why we're here? I mean, that's what it says. I'm  
15 asking what the basis of it is.

16 MR. LITTS: Mr. Anders, you have had the  
17 opportunity to ask questions for at least, by my watch,  
18 about almost four hours today. So, your comments, as much  
19 amusement as you may be derive from them, are just not  
20 necessary. There is an objection made.

21 MR. ANDERS: My response to the objection is it  
22 is a statement in an exhibit which forms the basis for this  
23 proceeding and I think I'm permitted to inquire.

24 MR. LITTS: And to the extent -- and there was  
25 [sic] an objection made, but I'll raise it now. I mean, I

1 think you used the term in your questioning in the beginning  
2 about determination. If you actually read the document it  
3 talks about "received information which creates a reasonable  
4 belief that the charter school may have committed ...."  
5 That's why we're having this proceeding is to see if this  
6 is -- these are allegations and presenting of evidence.

7 MR. ANDERS: Somebody had to determine to make  
8 the allegation, so I guess it's a determination.

9 MR. LITTS: Yes, so why don't we ask the  
10 question properly and say --

11 MR. ANDERS: I did ask the question properly.

12 MR. LITTS: Well, I'll rephrase it for you.  
13 To the extent we're talking about one of the allegations you  
14 can simply ask "What information are you relying upon to  
15 make that allegation," and you don't have to read every  
16 single line of the document. We all have copies of it.  
17 So, let's keep this thing moving.

18 MR. ANDERS: Did you put that question to the  
19 witness or am supposed to do that?

20 MR. LITTS: You can.

21 Q What information did you rely upon to prepare  
22 Paragraph 7? To make the allegation.

23 A We relied upon the records that were provided  
24 for us; the finance records, the payroll records, whatever  
25 may have been shared.

1           Q       What information and what provisions of the  
2 Ethics Law did you reply upon to make that accusation?

3           MS. SCHURDAK: Again, objection. That's asking  
4 for a legal conclusion. He's asking him to interpret the  
5 Ethics Law.

6           MR. ANDERS: I'm asking about a document that  
7 he said he was involved in the preparation of.

8           MR. LITTS: And he answered the question.  
9 Next question.

10          Q       Would you read Paragraph No. 8?

11          MR. LITTS: Don't read the paragraph. The  
12 document speaks for itself. You can ask questions about  
13 Paragraph 8.

14          Q       You testified previously that Paragraph 8 was  
15 in the revocation notice because you needed clarity,  
16 correct?

17          A       Correct.

18          Q       What clarity did you need?

19          A       I think there was a question about -- and I  
20 think it was raised during other testimony about whether the  
21 CEO worked for just the charter school and/or the church.

22          Q       I'm asking you about the clarity when you wrote  
23 this, not about what was testified here.

24          A       Well, I thought I answered it.

25          Q       What personal pecuniary benefits are being

1 referred to in that paragraph?

2 A Salary.

3 Q And that's all?

4 A To my knowledge.

5 Q What improper financial benefit to a private  
6 institution is referred to in that paragraph?

7 A I think the reference was there may have been  
8 a violation in terms of public funds that went to a private  
9 institution.

10 Q Well, what funds went to a private institution  
11 to form the basis of that accusation? If you know.

12 A In terms of the finances and in terms of the  
13 finances that were used to pay for certain additions,  
14 certain things that may have been added on to the  
15 facilities.

16 Q Specifically what, if you know?

17 A I don't know, but I would -- well, I don't  
18 know.

19 Q Was that accusation ever discussed with the  
20 representatives of the charter school?

21 A I believe when we had the original meeting,  
22 that Langsam meeting in May, we did discuss a bit about,  
23 you know, funding, these payments, additions. I can't  
24 remember exactly how the conversation went, but we did have  
25 that discussion.

1           Q       Isn't it true the school district allows  
2 different institutions to use its facilities for different  
3 functions?

4                   MS. SCHURDAK: Objection. Again, relevancy.

5                   MR. LITTS: Why is that relevant?

6                   MR. ANDERS: Well, that's what they are saying  
7 we did wrong.

8                   MR. LITTS: Well, to the extent your question  
9 presumes that the school district, like many of the school  
10 districts in the Commonwealth, have facility use policies  
11 I'm assuming we won't advocate that the charter school be  
12 excluded from -- charter schools or religious institutions  
13 or other groups be denied the opportunity to use the  
14 facility in the same manner as non-sectarial organizations.  
15 So, let's move on.

16           Q       You testified at the last hearing that  
17 Paragraph 9 was in the revocation notice because it was not  
18 clear what benefits were being received and you needed  
19 clarification. Correct?

20           A       Correct.

21           Q       That's not what that paragraph states, is it?

22           A       I'm not sure of that difference as you just  
23 stated.

24           Q       Isn't it true that at the time Paragraph 9 was  
25 being prepared you had no idea what indirect benefits the

1 CEO was receiving, if any?

2 A Correct.

3 Q How did the CEO indirectly benefit as stated in  
4 that paragraph?

5 A He indirectly benefitted not as a person. I  
6 suppose the church because he was also the pastor of the  
7 church could have benefitted.

8 Q So, he benefitted as the pastor of the church,  
9 is that what you're saying?

10 A That's what I'm saying.

11 Q What fees are referred to in that paragraph?

12 A I believe they refer directly to the lease.

13 Q Excuse me? To the lease?

14 A To the lease.

15 Q In regard to Paragraph 10, how was the lease  
16 agreement less than arms length?

17 A In our opinion when we had looked at it we  
18 thought that it was excessive and one of the examples of it  
19 being excessive dealt with how utilities were paid for,  
20 who was responsible for doing certain things to the  
21 property. I don't have it in front of me right now, but  
22 I -- we thought that was unusual.

23 Q Before the preparation of the resolution did  
24 you discuss that lease with anyone?

25 A I'm trying to remember to what detail the lease

1 was discussed in the meeting back on May 17th. I know it  
2 was discussed at least briefly, but, besides that, no.

3 Q What unrelated business for profit was  
4 conducted on the school premises?

5 MS. SCHURDAK: I'm going to object. This is  
6 not one of the grounds that the administration is proceeding  
7 for revocation.

8 MR. LITTS: Let's move on.

9 MR. ANDERS: It goes to -- so I can be heard  
10 since it's going to be before the Charter Appeal Board,  
11 this goes to the credibility of this whole proceeding and  
12 the manner in which the revocation resolution was prepared  
13 and, therefore, since it goes to the credibility of the  
14 proceeding and the revocation resolution it has relevance.

15 MS. SCHURDAK: This resolution was passed by  
16 the board in May of '08. From May of '08 until June of '09  
17 the parties participated in extensive, protracted discovery.

18 MR. ANDERS: That's absolutely not true. We  
19 hadn't gotten any discovery from the school district. We  
20 gave, but we did not get which Miss Schurdak is well aware  
21 of.

22 MS. SCHURDAK: They gave what in my opinion  
23 they were entitled to receive and there's been no court  
24 order to the contrary.

25 My point is, after reviewing additional records

1 received during this protracted process, the administration  
2 made some decisions not to proceed with every -- 27 of the  
3 alleged deficiencies because in some cases we have been  
4 given the information that it was satisfactorily resolved  
5 under the 60-day notice requirement.

6 I don't know why we're going there. It's been  
7 resolved to the satisfaction of the administration.  
8 Mr. Anders seems to want the administration to pursue all  
9 27 lines here. We've made it easier for him. We said,  
10 "Thank you for the information. We have reviewed it and  
11 we've now determined that these numbers are satisfied."  
12 Let's focus on the ones that haven't been satisfied.

13 MR. ANDERS: First of all, there was no 60-day  
14 notice given.

15 MR. LITTS: Mr. Anders, I'm going to spare you  
16 the speech. I will sustain the objection and I am going to  
17 repeat for clarity, the board's responsibility in holding  
18 this proceeding is to see if there is evidence to  
19 substantiate the charges on which the administration is  
20 proceeding. That --

21 MR. ANDERS: Well, which --

22 MR. LITTS: On which they are proceeding.  
23 Again, Ms. Schurdak has just represented that Paragraph 11  
24 in the Notice of Revocation they are not proceeding on. So,  
25 let's move on to the ones that are being contested by the

1 parties.

2 Q How was Paragraph 12 of the revocation notice  
3 determined?

4 A I believe by at that time that amount by the  
5 state aid that was given to the charter school.

6 Q I'm sorry, I didn't hear you.

7 A State aid.

8 Q State aid from where?

9 A Would come from the state.

10 Q Under what enactment?

11 A Well, I believe under the charter school laws,  
12 under the state funding laws.

13 Q When did the events in Paragraph 13 occur?

14 A Again, I would go back to that originally they  
15 would be during some of the reports that Mr. Kelly had ....

16 Q Was that reports before or after?

17 A ... given.

18 MS. SCHURDAK: Again, the witness was speaking.  
19 Mr. Anders just cut him off. I ask that the witness be able  
20 to fully finish his sentence.

21 Q Did you have something else to say?

22 A Yeah.

23 Q What?

24 A It -- he did it again. The -- when I had  
25 meetings with Mr. Kelly after he visited the charter school

1 he would go over some of the concerns he had. On occasion  
2 he would write letters to them and tell them about the  
3 concerns. On other occasions there would be -- he had a  
4 good working relationship with them and they would take care  
5 of whatever was being done and I think he -- we still had  
6 concerns about the finances of the charter school, we still  
7 had concerns about things that involved the lease, the  
8 finances, the business operations. So, that's where that  
9 paragraph came from, that sentence.

10 Q What business operations did he have concerns  
11 about?

12 A Bidding, leasing, going back to things we had  
13 talked about earlier.

14 Q What financial contracts referred to in  
15 Paragraph 13 didn't the charter school articulate?

16 A There's nothing about contracts in Paragraph  
17 13.

18 MS. SCHURDAK: And I had given notice on  
19 September 18th that the administration would not be  
20 proceeding with any of the allegations found within  
21 Paragraph No. 13 to the extent that they differ from those  
22 already delineated in Paragraphs 1, 5, 8, 9, and 10 of the  
23 resolution.

24 Q How did the charter school operate so that it  
25 was the alter ego of Shawnee Tabernacle Church as set forth

1 in Paragraph 14?

2 A I think that referred specifically to the  
3 lease, the cost, and, again, getting back to some of those  
4 things I mentioned before about utility costs and things  
5 related to the lease.

6 Q So, that's strictly on the lease, then.

7 A To my knowledge, yes.

8 Q Who was involved in the alter ego operations?

9 A I don't know that any one person would have to  
10 be named to be the alter ego. I think there it says the  
11 alter ego of its church landlord.

12 Q Is the principal of the charter school a member  
13 of the church?

14 A I would have no knowledge of that.

15 Q If you would look at the next condition it  
16 refers to Paragraph 46 of the charter.

17 A Yes.

18 Q That condition of the charter does not give the  
19 school district the right to determine what rent would be  
20 paid, correct?

21 A Yes, that's correct.

22 MS. SCHURDAK: I'll object as to the  
23 characterization. You have to look at the whole exhibit;  
24 specifically Paragraph 65. It's a mischaracterization.

25 MR. LITTS: Your objection is overruled and

1 this has been asked and answered. This was asked of Dr.  
2 Pfennig previously on cross examination and he admitted that  
3 the school district does not have the authority to tell the  
4 board of trustees what to do with regard to the lease. So,  
5 it's been answered. Move on.

6 Q The next paragraph refers to Paragraph 47 of  
7 the charter?

8 A Yes.

9 MS. SCHURDAK: For the record, on  
10 September 18th, 2009, the administration gave notice that it  
11 would not be proceeding with Item No. 9 -- Item No. 16 in  
12 the revocation notice.

13 MR. LITTS: Let's move on to something else.

14 Q Was Paragraph 18 of the resolution ever  
15 discussed with any representatives of the charter school?

16 MS. SCHURDAK: For the record, on  
17 September 18th, of 2009, the administration gave notice that  
18 it would not be proceeding with Paragraph No. 18 as  
19 delineated in the original revocation notice.

20 MR. LITTS: As per my earlier statements,  
21 let's move on to something else that's germane.

22 Q Would you read Paragraph 20?

23 A "Failure to comply with the Individuals with  
24 Disabilities Education Act and Chapter 711 of the  
25 Pennsylvania Code regarding charter school services and

1 programs for children with disabilities including, but not  
2 limited to, improper declassification of special needs  
3 students."

4 Q What compliance is referred to in that  
5 paragraph which was not included in your correspondence to  
6 the Department of Education?

7 A We sent a complaint to the Department of  
8 Education based on the transfer of -- I did it based on the  
9 transfer of 108 students, I believe it was 108, and my  
10 concern was that some students were transferring to us who  
11 were in need of services that would deem them eligible for  
12 classification, but some students were transferred to us who  
13 had been declassified and some maintained classification.

14 Q Wasn't that the subject of your correspondence  
15 to the Department of Education?

16 A Yes.

17 Q My question was what lack of compliance is  
18 referred to in that paragraph which was not addressed in  
19 your correspondence to the Department of Education?

20 A None that I'm aware of.

21 Q Was an emergency crisis plan prepared?

22 MS. SCHURDAK: For the record, on  
23 September 18th of last year the administration gave notice  
24 that they would not be proceeding with Paragraph No. 21  
25 found in the original revocation notice.

1 MR. LITTS: Then let's move on to something  
2 else.

3 MR. ANDERS: What other ones are you  
4 withdrawing?

5 MS. SCHURDAK: There is a second document that  
6 I don't have right at my fingertips. I believe it was filed  
7 in response to a Motion to Dismiss and I'm not sure that's  
8 been made part of the record yet by Mr. Litts. I think it  
9 was something that we discussed, that we agreed it would be  
10 made part of the record, but I don't think it formally has  
11 been, and I believe the remaining information you're looking  
12 for is found within the district's answer.

13 MR. LITTS: And I was hoping counsel would be  
14 able to work out what exhibits we can agree to put in the  
15 record, but that hasn't occurred yet, so I'll probably be  
16 making the determination before next week's hearing session,  
17 but ....

18 I'm looking at Miss Schurdak's correspondence  
19 to counsel dated October 6th, 2009, and the last item on the  
20 revocation notice as being withdrawn per this letter is  
21 Paragraph 21 of the revocation notice.

22 MR. FENNICK: I'm sure there were some  
23 withdrawn before that and I'm looking for the document that  
24 Miss Schurdak is referring to.

25 MS. SCHURDAK: What I've been reading from is

1 what's been admitted into evidence as School District 6A as  
2 in apple.

3 MR. LITTS: In light of that exhibit and Miss  
4 Schurdak's October 6th letter that was addressed to me and  
5 actually copied to counsel, I am presuming that the school  
6 district administration is still proceeding with charges 22  
7 through 27 as set forth in the revocation resolution. I  
8 could be mistaken.

9 MR. ANDERS: Is 22 through 27 withdrawn then?

10 MR. LITTS: No, I said -- I just said based on  
11 those two correspondences it's my understanding that they  
12 are still proceeding with them, but I'm quickly looking  
13 through these documents.

14 The two correspondence I have reference earlier  
15 paragraphs up through and including Paragraph 21, but I see  
16 no reference to 22 through 27. So, I am assuming they still  
17 may be proceeding with those.

18 Q Sir, who are the shared employees referred to  
19 in Paragraph 25?

20 MS. SCHURDAK: Mr. Litts, I think there is  
21 another correspondence here, and I just can't find it,  
22 because I do not believe it is accurate to state the  
23 administration is proceeding with all allegations, 22  
24 through 27.

25 MR. LITTS: Hold up. We're trying to do this

1 on the fly here. Let's go off the record for one second.

2 (Off record.)

3 Q Sir, with regard to Paragraph 25 of the  
4 resolution who are the shared employees referred to in that  
5 paragraph?

6 A As I recall, it referred to two employees,  
7 I think both of whom were no longer employed. I don't  
8 recall their names.

9 MS. SCHURDAK: At this point in time since  
10 counsel and I seem to agree, can we take a 10 minute recess  
11 for us to go through our files? I think it makes sense.  
12 I don't want questions asked and answered if we're not  
13 proceeding on revocation of those grounds and Attorney  
14 Fennick and I seem to agree that there's another notice out  
15 there saying we're not proceeding.

16 MR. LITTS: If the parties want to do that I  
17 don't have any problem with that. Dan?

18 MR. ANDERS: Yeah. I'm trying to do that right  
19 now.

20 MR. LITTS: All right. Why don't we take a  
21 recess.

22 (Recess from 2:29 p.m. to 2:37 p.m.)

23 MR. LITTS: We're back on the record.  
24 Counsel have had an opportunity to review correspondence  
25 that took place prior to the commencement of these

1 proceedings, specifically an August 2009 letter, I believe,  
2 by Ms. Schurdak, stating that -- in part what paragraphs the  
3 school district administration would not be proceeding on  
4 with regards to revocation as set forth in Joint Exhibit 1,  
5 and, Ms. Schurdak, we had been at Paragraph 22 of the  
6 revocation notice. Could you state the administration's  
7 position on 22 through 27, what ones you'll still be  
8 proceeding on?

9 MS. SCHURDAK: Yes, Mr. Litts, and I did give  
10 notice of this in an August 11th, 2009, letter. The  
11 administration will not be presenting evidence as to the  
12 items delineated in the following paragraphs: 22, 23, 24,  
13 and 26.

14 MR. LITTS: So, for purposes --

15 MS. SCHURDAK: And 27.

16 MR. LITTS: And 27.

17 MS. SCHURDAK: Mm-hmm.

18 MR. LITTS: So, 21, 22, 23, 24, 26, 27. And 25  
19 is still in.

20 MS. SCHURDAK: Correct. You gave me a copy of  
21 this document. Is this mine or do I need to return it?

22 MR. LITTS: I have been asked by counsel --  
23 you've both filed motions which I've entered rulings on and  
24 I previously sent an e-mail to all three counsel on  
25 December 7th, 2009, identifying the various correspondence

1 that I would be identifying as exhibits so the record is  
2 more complete with regards to both of those motions that I  
3 ruled on. I was hoping that counsel would be able to agree  
4 that those would be the relevant documents to give the  
5 necessary background.

6 So, I'll give you yet another opportunity to  
7 talk about that and if you'd get back to me prior to the end  
8 of tomorrow's hearing session then I'll make my decision as  
9 to what gets put in. But, obviously, I have identified what  
10 I think would be appropriate. So, if you could get back to  
11 me that would be great.

12 With that, Mr. Anders, you may continue your  
13 cross examination.

14 Q Sir, you started to tell me who the shared  
15 employees were.

16 A I think with regard to 25 I do not know the  
17 names.

18 Q Do you know what they did for the church or  
19 school?

20 A No.

21 Q Do you know what their compensation was or how  
22 they were paid?

23 A I do not have that in front of me.

24 Q Isn't it true that the charter school just  
25 received the highest Title I academic achievement award?

1 A Yes.

2 Q And also received three Keystone Education  
3 awards?

4 A Yes.

5 Q And received the Title I Distinguished School  
6 award?

7 A Yes.

8 Q Has also been named as a high performance  
9 school by the federal government?

10 A I think that was part of the Title I piece,  
11 too, yes.

12 MR. LITTS: We'll mark this Charter School 6.

13 MR. ANDERS: 6 is the first one I handed to  
14 you.

15 (Off record.)

16 (*LANGSAM LETTER dated 5-23-08* marked for  
17 identification as Charter School Exhibit No. 6.)

18 (*SCHURDAK LETTER dated 6-5-08* marked for  
19 identification as Charter School Exhibit No. 7.)

20 MS. SCHURDAK: May 23rd is 6 and June 25th is  
21 Charter School 7?

22 MR. ANDERS: Yes.

23 MR. LITTS: Just for the record, we have marked  
24 Charter School 6, which is a May 23rd, 2008, letter from  
25 Henry Langsam to John Freund, and on the reverse side we

1 have Charter School Exhibit 7, which is a June 5, 2008,  
2 letter from Ellen Schurdak to Henry Langsam, and I know the  
3 charter school will be getting another copy of 7 so we'll  
4 have it for the binders.

5 So, you may proceed with your questioning of  
6 these exhibits.

7 Q Sir, in May of 2008 the school district was  
8 represented by John Friend?

9 A John Freund, yes.

10 Q Now, I'm going to show you -- is that  
11 correspondence Mr. Langsam sent to Mr. Freund?

12 A I'm sorry, could you repeat the question?

13 Q Is that correspondence Mr. Langsam sent to your  
14 attorney, Charter School 6?

15 MS. SCHURDAK: I'm going to object because I  
16 think this is outside the scope of the witness's knowledge.  
17 This is a letter addressed between two lawyers.

18 MR. LITTS: If you know you can answer the  
19 question.

20 MR. ANDERS: I'm sorry, what?

21 MR. LITTS: Do you know if this was sent or  
22 not?

23 MR. ANDERS: That's what I asked.

24 MR. LITTS: Yeah, you can answer that.

25 A I'm not Mr. Freund and I'm not Mr. Langsam.

1 I don't know how I would know. It's not signed.

2 MR. ANDERS: That's all I have.

3 MR. LITTS: We had marked Charter School 7.

4 Do you still wish to have that admitted since there weren't  
5 any questions on it?

6 MR. ANDERS: We want them both admitted.

7 MR. LITTS: Any questions on CS-7 for this  
8 witness?

9 Q With regard to Charter School 7 you were  
10 photocopied on that correspondence? Carbon copied.

11 A Yes.

12 Q And you received a copy of that, Exhibit 7?

13 A Yes. And it's signed.

14 MR. ANDERS: I move for the admission of 6 and  
15 7.

16 MS. SCHURDAK: I'm objecting as to relevancy.  
17 This is counsels' letters regarding a process for discovery.  
18 I'm not sure how it's relevant here and why it's even being  
19 offered into evidence.

20 MR. ANDERS: Well, for one thing, it certainly  
21 contradicts Miss Schurdak's statements that we've been  
22 hearing throughout the course of this about the monumental  
23 amount of discovery that was involved.

24 MS. SCHURDAK: Mr. Anders opposed my  
25 introducing as an exhibit the judge -- my motion to Judge

1 Cheslock over discovery and, Officer Litts, you agreed with  
2 Mr. Anders and said, "Look, that's not appropriate here."  
3 So, I don't understand why correspondence between lawyers,  
4 which, by the way, pre-dates the stipulation to exchange  
5 discovery, is being offered.

6 MR. ANDERS: I think the record is --

7 MR. LITTS: Hold up. I'm going to allow the  
8 exhibits for this purpose and then the board will decide  
9 what, if any, weight should be given to it. There has been  
10 testimony by several witnesses, Pastor Bloom, Dr. Pfennig,  
11 with regards to communications that were taking place about  
12 obtaining information.

13 Now, like I said, I don't know what weight the  
14 board will give to it, if any, but since there has been  
15 testimony with regards to that I am going to allow it and  
16 the board will decide what weight, if any, should be given.

17 And, again, if I'm reading the law correctly,  
18 and I'm pretty certain I am, the material issue for both  
19 sides is whether or not there's evidence to substantiate  
20 these charges and whether these charges are justified under  
21 Section 1729 of the Charter School Law.

22 So, with that in mind, I am going to allow it.

23 I also had Joint Exhibits -- Joint Exhibit 34  
24 that's been admitted and would have Charter School 2 through  
25 7. I have overruled Miss Schurdak's objection on 6 and 7.

1 Do I have any objection to the PDE BEC, the 2003 charter,  
2 the draft Parente and Randolph report?

3 MS. SCHURDAK: No objection to the admission of  
4 Charter School Exhibit No. 4. I do object, though, to  
5 Charter School Exhibit No. 2.

6 MR. LITTS: Well, the objections are overruled.  
7 I'll allow all those in.

8 Mr. Anders, you have completed your cross?

9 MR. ANDERS: Yes.

10 MR. LITTS: Is there any redirect?

11 MS. SCHURDAK: Yes, there is.

12 - - -

13 REDIRECT EXAMINATION BY MS. SCHURDAK:

14 Q Good afternoon, Dr. Pfennig.

15 A Good afternoon.

16 Q Mr. Anders was asking you this morning about  
17 the warehouse lease. Do you recall that?

18 A Yes.

19 Q And you may have testified, in fact, back on  
20 December 8th about the warehouse lease as well. Was there  
21 an appraisal done prior to the school district entering into  
22 the lease agreement for the warehouse?

23 A Yes.

24 Q And did you testify to the contrary back in  
25 December?

1           A       Yes, I did. I did not have a final copy of it  
2 and I have since gotten a final copy.

3           Q       Mr. Anders asked you some questions this  
4 morning about Corrective Action I and Correction Action II  
5 with respect to school performance issues. Can you tell me,  
6 first of all, what is Corrective Action I?

7           A       Correction Action I is -- usually occurs after  
8 the second year of being -- not meeting adequate progress  
9 for whatever reason in a particular school and as a  
10 district.

11          Q       And Correction Action II?

12          A       That's subsequent to that, that follows that.

13          Q       And how did the schools perform in terms of AYP  
14 within the district?

15          A       This year?

16          Q       Mm-hmm.

17          A       I think in all years -- we're still in  
18 Corrective Action II as a district, but we had many  
19 schools -- when you work your way out of AYP problems your  
20 first year is called Making Progress and we've had seven  
21 schools that are either in Making Progress -- I'm sorry,  
22 eight schools either Making Progress or made AYP this year  
23 and that's the highest level we've had since the system's  
24 been put in since I've been here.

25          Q       And have any schools received Keystone awards?

1           A       We've had 25 Keystone awards over the years and  
2 we've had three this year.

3           Q       Mr. Anders was also asking you questions about  
4 did you go to the charter school to discuss any of the  
5 administration's concerns about the operation of the charter  
6 prior to the issuance of this resolution. Did anyone from  
7 the charter school ask you for assistance?

8           A       Not that I'm aware of. Let me clarify that.  
9 There were a couple of times when we did actually work  
10 together to solve some student discipline things and kind of  
11 pointed each other in the right direction, but not in the  
12 areas we're discussing today.

13          Q       And Mr. Anders asked you some questions both  
14 this morning and this afternoon regarding the April 10th,  
15 2007, letter that you sent to Pastor Bloom. Do you recall  
16 that?

17          A       That's the last one we were just talking about.

18          Q       Yes.

19          A       No. 1 or No. 5?

20          Q       I think it is Joint --

21          A       No. 46, Joint 46, Section 46.

22                   MR. LITTS: Tab 46. SD-14, Tab 46.

23          A       Yes.

24          Q       After you sent that letter did Pastor Bloom  
25 contact you in any form to discuss it?

1 MR. ANDERS: Objection. Asked and answered.  
2 This was covered on direct.

3 MS. SCHURDAK: I don't know if it was as I  
4 stand here right now. I know Mr. Anders took great pains to  
5 cross examine the witness today about what he did or didn't  
6 do and so I think it's fair game.

7 MR. LITTS: Well, I'll allow it for now, but --  
8 and let's not retread issues that have already been  
9 testified to, but I'll allow this one question.

10 A The answer is no, not directly, but we did have  
11 some communication over some of the documents that were in  
12 No. 10 of that letter, receiving some of them in different  
13 intervals.

14 Q And I refer you to an exhibit that's been  
15 admitted into evidence as Joint 16 and, I apologize, I don't  
16 know what -- I think that's Tab 22?

17 MR. LITTS: That's correct, Tab 22.

18 Q Have you seen this letter before?

19 A Yes, I have.

20 Q And can you characterize for me whether or not  
21 the charter school is receptive to having communications  
22 with anyone from the school district on Special Education  
23 issues?

24 A Well, it was a letter to Dr. Gustafson from  
25 Mr. Severs, the principal, pointing out the charter school

1 rules and regulations for Special Education were different  
2 than or from those of regular education schools and he  
3 thanked Dr. Gustafson for her help and he said the  
4 certification would be on file that was requested when  
5 Mr. Kelly came to visit later in the month.

6 He also expressed hope that -- he said, "I hope  
7 this clarifies the misnomer you were laboring under that you  
8 have any authority to supervise Special Education."

9 Q And does he say anything on whether or not  
10 Dr. Gustafson should follow up with him on Special Ed.  
11 issues?

12 A Well, in the concluding paragraph he did  
13 comment, "In your closing comments --" about what  
14 Dr. Gustafson had written, "We are obligated to assess your  
15 compliance in regard to Special Education." And, this is  
16 Mr. Severs to Dr. Gustafson. "In regard to Special  
17 Education, you do not supervise this program nor have you  
18 since the law was written and this is the second misguided  
19 attempt you have made to insert your opinions. Please  
20 stop."

21 Q In terms of Charter School Exhibit No. 4 --  
22 and I'm not sure if you have that in front of you. That's  
23 the Parente Randolph working copy, I believe it says.

24 A I do not have it. I remember seeing it  
25 earlier.

1 MS. SCHURDAK: Mr. Litts, do you have it?

2 MR. LITTS: I do.

3 MS. SCHURDAK: May I give it to the witness?

4 Thank you.

5 Q Are there any comments within this report  
6 about an improprietary [sic] expense with respect to Pastor  
7 Bloom's use of a car and who pays for it? And take your  
8 time in reading the report.

9 Page 5, Accounting Abnormalities, Unusual  
10 Transactions. Does it appear that at some point in time  
11 Pastor Bloom's car was paid for by the school even though  
12 the lease payments were supposed to have been made by the  
13 church?

14 MR. ANDERS: Objection. There's nothing that  
15 says the church was supposed to make them or it was  
16 improper.

17 MS. SCHURDAK: It is important to note on  
18 approximately --

19 MR. ANDERS: Objection.

20 MR. LITTS: Hold up. Unfortunately, we  
21 haven't -- somebody didn't make enough copies, so I don't  
22 have it in front of me to take a look at. So -- first of  
23 all, I don't know why we're having people read documents.  
24 They speak for themselves and it says what it says. But,  
25 if someone wants to get me a copy of the document I'd be

1 happy to take a look at it so I can entertain the objection.

2 A Do you want mine? I've already read it.

3 MR. LITTS: The party admitting it should have  
4 enough copies.

5 MS. SCHURDAK: I'll have someone in  
6 administration run out and make an extra copy.

7 MR. LITTS: Do you have questions on other  
8 topics? Why don't we move to that?

9 Q Mr. Anders also asked you about what I'll refer  
10 to as Cookie's handwritten note previously identified as  
11 School District No. 15 which will be Tab No. 47 in the  
12 binder. No, it's not. Yes, it is. I'm sorry. Tab No. 47.

13 A I don't know which exhibit it is within that.

14 Q And, you're right, you have to sort of page  
15 through the attorney's response. It's labeled as Exhibit  
16 No. 2.

17 A I have it.

18 Q Does Cookie say whether or not she went out to  
19 look at the property in that document?

20 MR. ANDERS: Objection. It's beyond the scope.

21 MR. LITTS: Sustained.

22 Q Does Cookie refer to what data she referred to?

23 MR. ANDERS: Objection as beyond the scope.

24 MR. LITTS: Sustained.

25 MS. SCHURDAK: I disagree. Mr. Anders

1 specifically asked about this report and what it said and  
2 what it concluded.

3 MR. LITTS: Let me --

4 MR. ANDERS: I didn't ask about what was in the  
5 report.

6 MR. LITTS: Mr. Anders, you can save your  
7 breath. Sustained. Look. We have a reasonable,  
8 intelligent group of board members that is going to  
9 seriously entertain the arguments and evidence presented by  
10 both sides. We've had two or three different witnesses  
11 speak to this fact sheet and people can read it, we've heard  
12 explanations about it, so let's move on to something else.

13 Q The resolution that is Joint Exhibit No. 1,  
14 Dr. Pfennig, in terms of the certification on the back page?

15 A Yes.

16 Q The resolution was passed at the May 21st board  
17 meeting?

18 A Yes.

19 Q When was the original revocation hearing  
20 scheduled to occur?

21 A The 24th day of July --

22 MR. ANDERS: Objection. Beyond the scope.

23 MS. SCHURDAK: No. With all due respect,  
24 Mr. Anders has tried to make a big deal out of whether or  
25 not the charter school ever had 60 days notice. Besides the

1 April 10th, 2007, letter, there is the May 21st revocation  
2 notice which scheduled the first hearing for July 24th,  
3 2008, which is clearly 60 days after May 21st and, by the  
4 way, no hearing ever occurred until June 10th, 2009.

5 MR. LITTS: The document speaks for itself and  
6 the board can take notice of what's contained in the  
7 document and give it whatever weight it believes is  
8 necessary and appropriate. So, let's move on.

9 MS. SCHURDAK: I do have the extra copies that  
10 you requested, Mr. Litts. And my questions were relating to  
11 Page 5 of this working copy under Paragraph C, Accounting  
12 Abnormalities, and then it proceeds on to Page 6.

13 MR. LITTS: Is there a question?

14 MS. SCHURDAK: Were you going to rule on the  
15 admissibility or whether I could proceed in this line of  
16 questioning?

17 MR. LITTS: I mean, does this witness have  
18 any -- any firsthand information with regards to Pastor  
19 Bloom's car payments? The document says what it says and  
20 the board can see that. Again, I'm repeating myself, but I  
21 hope you guys get this theme. The board can analyze this  
22 stuff. So ....

23 MS. SCHURDAK: Okay. As long as the board --  
24 the board, I think, now is aware that they should read that  
25 portion of the report. Things can get lost because of the

1 volume of paper. I'm satisfied with that and I will move  
2 on.

3 Q Dr. Pfennig, the master lease that has been  
4 produced during the course of discovery was -- did you have  
5 the master lease prior to the May 2008 revocation notice?

6 A Yes, I believe we did.

7 Q The master lease.

8 MR. ANDERS: Objection. Asked and answered.

9 MR. LITTS: It was answered.

10 MS. SCHURDAK: It was answered.

11 MR. LITTS: And, again, the board is fully  
12 capable of taking notice of the dates of documents unless  
13 there's legitimate concern by another party that the dates  
14 are inaccurate.

15 MS. SCHURDAK: I have not been made aware that  
16 that is at issue.

17 Q I have one clarifying question. To your  
18 knowledge, is there anything under the Charter School laws  
19 regarding certification of the teaching staff?

20 MR. ANDERS: Objection. It calls for a  
21 conclusion of law.

22 MR. LITTS: I'll tell you what. I'll sustain  
23 and I will give notice of the fact that there is a statute  
24 within the Charter School Law that specifically discusses  
25 the certification requirements for teachers.

1                   It was also set forth, I believe, in the  
2       Basic Educational Circular that Mr. Anders had admitted into  
3       the record. So, we'll just take note of that fact.

4                   MS. SCHURDAK: Thank you.

5                   MR. LITTS: Any other questions?

6                   MS. SCHURDAK: That's all I have.

7                   MR. LITTS: Mr. Anders, hold up one second.  
8       Let's see if there's any questions from the board that -- do  
9       board members have any questions?

10                  MR. BOCKELMAN: No.

11                  MR. LITTS: Mr. Anders?

12                               - - -

13       REXCROSS EXAMINATION BY MR. ANDERS:

14                  Q       You said you learned of an appraisal after the  
15       last hearing? Of the warehouse?

16                  A       Yes, a final copy.

17                  Q       Sorry.

18                  A       Excuse me? You asked the question while I was  
19       answering, so we bumped heads and didn't hear each other.

20                  Q       Did you learn of an appraisal of the warehouse  
21       lease after the last hearing?

22                  A       Yes, I got the final copy.

23                  Q       Did you bring a copy of the appraisal with you  
24       today?

25                  A       I may have among my things.

1           Q       Who performed that appraisal?

2           A       McKeown, if I'm saying it right.

3       M-c-K-e-o-w-n.

4           Q       McKeown. Would you check to see if you have  
5       it?

6           A       Sure. I'm sorry, I do not ... the one I have  
7       here is from the charter school.

8                   MR. ANDERS: That's all I have.

9                   MR. LITTS: Okay. I believe this witness may  
10       be excused. I note it is about quarter after 3:00 this  
11       afternoon and would it make more sense to start fresh  
12       tomorrow?

13                   MR. FENNICK: I think so. We can take care of  
14       our copies.

15                   MS. SCHURDAK: I think so and I know Attorney  
16       Fennick and I have something we want to attend to between  
17       the two of us after this.

18                   MR. LITTS: All right. We'll call this hearing  
19       session in recess. We're back here tomorrow morning at 10  
20       o'clock a.m. The district will have its next witness which  
21       I understand to be Dr. Gustafson. Is that correct?

22                   MS. SCHURDAK: That's correct.

23                   MR. LITTS: And, yes, just a gentle reminder to  
24       both sides. It's a lot easier if we have marked copies,  
25       hole punched exhibits, and that way I can keep the binder

1 and everyone can review documents during testimony.

2 So, thank you and we're in recess.

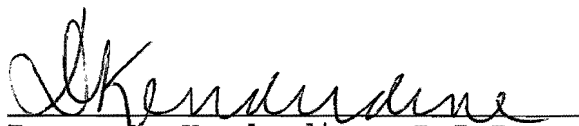
3 - - -

4 (Whereupon, the above hearing adjourned at  
5 3:11 o'clock p.m. on Monday, February 1, 2010.)  
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## C E R T I F I C A T I O N

I, Donna G. Kenderdine, R.P.R., do hereby  
certify that the foregoing was taken stenographically by me  
on February 1, 2010, and that this transcript is a true and  
correct transcript of the same, fully transcribed under my  
direction, to the best of my ability and skill.

I further certify that I am not a relative or  
employee of any of the parties in this action; that I am not  
a relative or employee of any attorney in this action; and  
that I am not financially interested in the event of this  
action.

  
Donna G. Kenderdine, R.P.R.  
Notary Public