

1 POCONO MOUNTAIN SCHOOL DISTRICT
2 BOARD OF DIRECTORS

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4 In re: Pocono Mountain Charter School

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6 Transcript of proceedings held in the
7 above-captioned matter before the Pocono Mountain School
8 District Board of Directors, Administration Building,
9 Swiftwater, PA on Tuesday, November 24, 2009, commencing at
10 or about 10:23 o'clock a.m.

11 - - -

- 12 HENRY E. BOCKELMAN, President
- 13 RICKY D. SMITH, Member
- 14 MEG DILGER, Member
- 15 WILLIAM FORTE, Member
- 16 RANDY POLINSKI, Member
- 17 MICHAEL STERN, Member
- 18 JOHN DAVIS, Member
- 19 JEFFREY D. LITTS, ESQ., Solicitor

20 - - -

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P R O C E E D I N G S

Tuesday, November 24, 2009

- - -

MR. LITTS: Let's go on the record. We're reconvening the hearing pursuant to Section 1729A, Subparagraph C, of the Charter School Law regarding Pocono Mountain Charter School. We met yesterday, we're coming back on the record on Tuesday, November 24th, at approximately 10:20 a.m.

Prior to convening today's hearing I should
Page 2

11 note for the record we have a number of board members
12 present and starting at my right can you please state your
13 name on the record?

14 MS. DILGER: Meg Dilger.

15 MR. POLISKI: Randy Polinski.

16 MR. FORTE: Bill Forte.

17 MR. BOCKELMAN: Henry Bockelman.

18 MR. SMITH: Rick Smith.

19 MR. STERN: Michael Stern.

20 MR. DAVIS: John Davis.

21 MR. LITTS: We have counsel for both parties
22 here. Prior to convening today's session we did have a
23 discussion. We will be taking one witness, hopefully brief
24 testimony, out of order and then we'll return to Pastor
25 Bloom.

♀

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1 I will remind those people in the audience that
2 are attending today's hearing that this is a quasi-judicial
3 proceeding and, therefore, people should refrain from any
4 physical conduct, verbal comments or any other behaviors
5 that would disrupt the proceedings and if anyone engages in
6 such behaviors they will be asked to leave.

7 Is there anything else, Counsel, before we
8 begin?

9 MR. ANDERS: Before we start the testimony I
10 would like to place on the record when we got here today
11 Pastor Bloom had an opportunity to observe Mr. Freund. He
12 approached me and told me that Mr. Freund was not the
13 gentleman at the meeting. Rather, the attorney at the
14 meeting was a black individual, that he did not know the
15 name of that individual that the -- that was the attorney

16 who the conversation about the 90-10 was about.

17 MR. LITTS: All right. And we did discuss that
18 prior to the hearing in the conference with attorneys.
19 We'll still have the opportunity for that testimony and if
20 there's a need for either party to want to submit additional
21 testimony based on that representation they'll have the
22 opportunity to do so.

23 So, with that, Ms. Schurdak, you may proceed.

24 MS. SCHURDAK: I call Mr. Freund to the stand.

25 - - -

♀

Freund - Direct

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1 JOHN FREUND, ESQ., having been duly sworn
2 according to law, testified as follows:

3 DIRECT EXAMINATION BY MS. SCHURDAK:

4 Q Mr. Freund, there's probably a button in the
5 microphone to turn it on and if you would be so kind to do
6 that.

7 A I think it's on.

8 Q I think it's on; I see a red light. Good
9 morning, sir. Can you tell the board where it is that you
10 work?

11 A I'm a partner in the lawfirm of King, Spry,
12 Herman, Freund & Faulin -- the main office is in Bethlehem.

13 Q And are you solicitor here to the school
14 district?

15 A I am together with Kevin Reid. We share the
16 responsibilities for the solicitorship at Pocono Mountain
17 School District.

18 Q And were you and Mr. Reid solicitor back at the
19 time of the negotiations relating to the renewal of the
20 Pocono Mountain Charter School's charter?

21

A We were, yes.

22

Q Did you attend any meetings where Pastor Bloom was present during those negotiations?

23

24

A I can only recall one meeting in the conference room over here in the administrative offices. I think Dr.

25

Freund - Direct

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1

Pfennig was there, I was there, Mr. Reid was there, I think

2

Attorney Henry Langsam was there, and I believe that Pastor

3

Bloom was there.

4

Q Attorney Langsam was representing whom?

5

A The charter school.

6

Q Did you make any recommendations or opinions as to the charter school sharing utilities with the church?

7

8

A At that meeting, no, I can't recall any discussion of expense sharing at that meeting, no. I did not.

10

11

Q And you mentioned that Kevin Reid was also present at that meeting.

12

13

A To my recollection, yes.

14

Q Do you recall Mr. Reid making any recommendations?

15

16

A He did not make any recommendations. I don't recall any discussion of the lease or the expense sharing formula at that meeting whatsoever.

17

18

19

Q And probably in front of you, Mr. Freund, are a bunch of exhibits and I'm going to ask you -- and, hopefully, they're in chronological order. Fast forward to SD-23, if you could, and it is right here.

22

23

A All right. Yes, I have SD-23 in front of me.

24

It's -- it looks like my letter of July 16th, 2007,

25

addressed to Attorney Langsam.

Freund - Direct

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1 Q And did you ever receive a response, to your
2 knowledge, to that letter of July 2007?

3 A Not to my recollection, no. I don't recall
4 receiving a specific response to this letter. I have no
5 recollection of receiving a response.

6 Q You have some concerns delineated in that
7 letter?

8 A Yes, quite a few of them.

9 Q And just very briefly what are those concerns?

10 A Well, this letter does speak extensively about
11 the lease, raises questions about how the lease terms of the
12 rental value are reached, raises questions about the
13 justification for a formula that would attribute 90 percent
14 of the expenses to the charter school and only 10 percent to
15 the landlord.

16 Q And for clarification, Mr. Freund, that's a
17 sharing of utilities, correct, that 90-10 split?

18 A I believe so, yes. It also talks about
19 contract vendors and utilities, but I believe the 90-10
20 relates to utilities.

21 MS. SCHURDAK: I have no further questions for
22 this witness.

23 MR. LITTS: Cross examine.

24 - - -

25

♀

Freund - Cross

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1 CROSS EXAMINATION BY MR. FENNICK:

2 Q Mr. Freund, I'm Daniel Fennick. I think we met
3 before.

4 A Mr. Fennick.

5 Q You referenced one meeting that Pastor Bloom

6 attended. Do you know when that meeting took place?

7 A I don't, not specifically, no.

8 Q I'm sorry, I can't --

9 A No, not specifically, no.

10 Q Can you give any time frame? Was it before or
11 after the renewal?

12 A I can't say for sure, but my guess is that it
13 was before the renewal, but I don't know for sure.

14 Q All right. Do you remember that there was a
15 discussion at that meeting regarding what conditions would
16 be put in the renewal charter?

17 A I'm sure there was a discussion of the fact
18 that there would be conditions in the charter. So,
19 generally speaking, yes.

20 Q And you're aware that there's a condition in
21 the charter related to membership on the charter board of
22 Shawnee Tabernacle Church members. Do you recall --

23 A There is a condition or there was in the
24 original lease -- rather, the original charter to the effect
25 that the charter board of directors shall not consist of a

Freund - Cross

453

1 majority of members of that -- of the congregation.

2 MS. SCHURDAK: And, perhaps, it would be easier
3 if Mr. Freund had the charter in front of him. I believe
4 that's J-5 and that's probably in the black binder.

5 MR. LITTS: That would be Joint Exhibit 5 under
6 Tab 5 of the binder.

7 A Yes. Thank you, I have it now, Mr. Fennick.

8 Q And I think the provision you're referring to
9 is No. 10.

10 MS. SCHURDAK: I would note for the record,
11 if I may, this line of questioning is outside the scope of

12 my direction and I would object to it.

13 MR. LITTS: Well, considering that Mr. Freund
14 is here today and it may be difficult to have him available
15 again I'll let Mr. Fennick go for a bit on this line of
16 questioning.

17 A Yes. The -- the provision we're speaking of is
18 No. 10 in this charter document. This is the renewal of the
19 charter. My recollection is that there was a similar or
20 nearly identical provision in the original charter as well.

21 Q Do you remember that provision being discussed,
22 No. 10, at the meeting that you refer to?

23 A I don't specifically remember it at that
24 meeting, but I do remember that there was an issue over that
25 and that the charter school and Pastor Bloom was taking the

Freund - Cross 454

1 position that the church had no members. I do remember
2 that.

3 Q Did anyone take the position that this is an
4 unconstitutional restriction of the First Amendment?

5 A No.

6 MS. SCHURDAK: I'm going to object to this line
7 of questioning.

8 MR. LITTS: As I stated before, we'll allow
9 Mr. Fennick some latitude here on this. So, overruled.

10 Q So, what else was discussed at that meeting?

11 A I don't recall. I think there were some
12 educational matters discussed.

13 Q Educational matters relating to the charter
14 school?

15 A Yes.

16 Q Do you know if other meetings took place

17 between this meeting and the granting of the renewal
 18 charter? I'm talking about meetings between school district
 19 solicitors and charter school solicitor, the charter school
 20 staff.

21 A Well --

22 MS. SCHURDAK: I'm going to ask for
 23 clarification because I'm not sure if -- I understand the
 24 question. Are you asking for meetings where everyone was
 25 present or is Mr. Freund aware of meetings where he wasn't

Freund - Cross

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1 present, but the underlying parties were present?

2 MR. LITTS: Why don't I suggest this? Mr.
 3 Fennick, could you rephrase the question?

4 MR. FENNICK: Sure. Wasn't there an objection
 5 yesterday about Mr. Anders suggesting answers to the
 6 witness?

7 MR. LITTS: Well, I think the purpose of your
 8 inquiry, were there other meetings between the school
 9 district and the charter school to discuss --

10 MR. FENNICK: I'll rephrase it.

11 MR. LITTS: Thank you.

12 Q Mr. Freund, I apologize if it was unclear.
 13 You, I think, have told us that you recall this meeting took
 14 place before the renewal charter was granted.

15 A I said that would be my guess, I'm not
 16 absolutely certain. It would be reasonable if it had taken
 17 place before the charter renewal. I'm not sure what the
 18 purpose would be for the meeting after the charter newly.

19 Q And if the 10 percent figure was discussed it
 20 certainly would have taken place before the charter renewal,
 21 correct?

22 A Not necessarily. We had concerns with that --

23 with that provision of the lease all along and there were
24 other meetings with counsel.

25 Q Did you participate in those other meetings

Freund - Cross

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1 with counsel?

2 A I can remember at least one or two with Mr.

3 Langsam.

4 Q And were those meetings before the renewal of
5 the charter?

6 A I remember specifically one after the renewal.

7 Q And just so I have it clear, it's your
8 testimony that no one ever brought up constitutional
9 concerns regarding Condition 10 of the charter.

10 A I don't recall Mr. Langsam, who was the lawyer
11 we dealt with primarily, ever raising a constitutional issue
12 concerning this.

13 Q Do you remember anyone else ever raising a
14 constitutional issue?

15 A I think I saw one of your letters floating
16 around somewhere that said that.

17 Q I'm talking about meetings around the time of
18 the renewal.

19 A No, absolutely not. I don't recall anything
20 like that.

21 Q Mr. Freund, I'm showing you a document which we
22 are not yet putting into evidence, but I am representing to
23 you that it is the original charter for the Pocono Mountain
24 Charter School. All I want you to do is review it and
25 refresh your recollection and tell us if there is a

Freund - Cross

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1 condition relating to church membership and membership on

2 the charter school board.

3 MS. SCHURDAK: I'm going to object to this line
4 of questioning and there is an order, and it's been admitted
5 into evidence yesterday, from Judge Cheslock which forbids
6 anyone's questioning that pre-dates the charter and
7 that's -- that was actually at the request of Attorney
8 Fennick and it's his May 7th or May 20th, 2009, order.
9 Under -- that order, I submit, is binding on us here;
10 it's the same parties, it's the same issue, and under the
11 Doctrine of Issue Preclusion.

12 MR. LITTS: I'm going to overrule your
13 objection with this caveat. I don't believe Judge Cheslock
14 has jurisdiction to decide how the proceedings regarding the
15 potential revocation of the charter should be done. That's
16 the jurisdiction of the board and any subsequent appeal
17 before the Charter School Appeals Board and the Court of
18 Common Pleas is not authorized to deal with that.

19 But, that being said, Mr. Fennick, I am giving
20 you some latitude in allowing questioning beyond the scope
21 of direct. Is this --

22 MR. FENNICK: I appreciate your ruling and I'm
23 not going much further, but I do want to ask on the record
24 whether Attorney Schurdak is agreeing that matters which
25 existed before 2006 and continued to exist after 2006 cannot

Freund - Cross

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1 be the subject of this revocation proceeding. That was our
2 argument to Judge Cheslock, that is the position we have
3 consistently taken, and if Ms. Schurdak is agreeable that
4 we're not going to talk about things that happened before
5 2006 it has to be on that basis.

6 MR. LITTS: Well, hold up. Before we get off
7 track here for the testimony I have advised both counsel

8 previously on the record yesterday and off the record in our
 9 numerous telephone calls -- it's my understanding Attorney
 10 Fennick has raised that issue, that issue was raised in the
 11 Motion to Dismiss, and, as I advised you when you were
 12 getting subsequent writings, that is an argument the
 13 parties, whether it be the charter school or the school
 14 district, can make to the board after the close of evidence
 15 as to the relevancy or weight of the evidence.

16 MR. FENNICK: And I understand that, but she --
 17 Attorney Schurdak brought it up and I thought maybe we
 18 actually have an agreement.

19 MR. LITTS: And I have overruled her objection
 20 and you can continue your questioning.

21 MS. SCHURDAK: If I can, for purposes of the
 22 record, very quickly, I also am making an objection as to
 23 relevancy. I don't see how it is relevant, conditions in
 24 the original charter, as opposed to the charter we're here
 25 on today to revoke and I note the objection and Attorney

Freund - Cross

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1 Fennick can continue his questioning.

2 MR. LITTS: It's noted and continue your
 3 questioning, Mr. Fennick.

4 Q Mr. Freund, while we were talking did you have
 5 an opportunity to review the original charter?

6 A Yes. Thank you for the delay. I found the
 7 paragraph. It's Paragraph 7 of the resolution which has
 8 become integrated into the charter.

9 Q And can you read that into the record?

10 A It says that the charter school board of
 11 trustees does not contain a majority of members who are also
 12 members of the Shawnee Tabernacle Church.

13 Q And do you recall any discussion about that?

14 A I do.

15 Q And were constitutional concerns raised at
16 that --

17 A Actually, you know what? I take it back. I do
18 recall the issue of constitutional concerns because I raised
19 them. I was concerned that without such a limitation that
20 there would be an unconstitutional entanglement between the
21 church and the charter school.

22 Q And did you raise that before the original
23 charter was granted or the renewal?

24 A I raised it both times and, in fact, I was the
25 one who suggested this paragraph because of that concern.

Freund - Cross

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1 I also recall questioning Reverend Bloom at the
2 hearing for the charter and asking about this and I think
3 that's where I got the answer that there were no members.
4 Originally it was agreeable and when we learned that, in
5 fact, that provision may not have been adhered to we began
6 to question it.

7 So, yes, there were discussions in the vein
8 that I just described.

9 Q I need to ask you about the last thing that
10 you said. You just said that you began to question it when
11 you received information that it was not being adhered to.
12 Do you mean that between the original charter date and the
13 application for renewal you received information that this
14 condition may not have been adhered to?

15 A I think that there were -- there was a
16 continuing concern up until today. From the beginning there
17 was a concern.

18 Q And --

19 A That it was not being adhered to and then we
20 got what I consider to be a non answer about this membership
21 issue and, yes, we continued to be concerned that that was
22 continuing to be violated.

23 Q And is that concern that you have with any
24 charter school in the school district?

25 A Well, this charter school has a unique

Freund - Cross

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1 relationship with a religious institution. I'm not aware of
2 any others in the district that have a similar, you know,
3 symbiotic relationship.

4 Q And, so, you're concerned that because there is
5 a relationship that people who work at the charter school
6 won't follow the laws regarding the charter school being
7 secular?

8 A Well, first, I'm concerned for the district
9 that public money is being used according to law and that
10 public money is not being improperly diverted for private
11 or sectarian use. That's my primary concern. And,
12 secondarily, of course, the charter law prohibits charter
13 schools being religious schools.

14 Q Right. So, why are you assuming that the folks
15 who run the Pocono Mountain Charter School are going to
16 violate that law?

17 A I think all you have to do is look at the
18 physical circumstances and you can see the possibility of
19 that.

20 Q Because the -- they are -- they share a common
21 facility.

22 A They also share common control.

23 Q Okay. And -- all right. Are you aware of

24 whether Kevin Reid is white or black?

25 MR. FENNICK: I'm laying a foundation. I don't

Freund - Cross

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1 want an objection.

2 A I checked yesterday and he was black.

3 Q Has he been black since you've known him?

4 A He did go to Dartmouth, so ... yes, he's an
5 African American gentleman.

6 Q And, for the record, you are white; is that
7 correct?

8 A Yes.

9 Q Okay. And you are Ellen Schurdak's partner;
10 is that correct?

11 A That's correct.

12 Q Now, School District Exhibit 23 is that letter
13 of April 10th, 2007.

14 MS. SCHURDAK: Do you still have that in front
15 of you?

16 A My letter?

17 MS. SCHURDAK: Yes.

18 A Yes, I have it, Mr. Fennick.

19 Q Before you came in this morning and told us you
20 didn't get a response did you look at any of your records or
21 files?

22 A No.

23 Q I'm sorry, did you say --

24 A No, I did not.

25 Q Did you check with Mr. Reid?

Freund - Cross

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1 A No.

2 Q If a response had come to your firm directed to
3 you would you have seen it?

4 A Theoretically.

5 Q And I just wanted to ask again about the
6 purpose of this letter. This letter was to express concerns
7 about the way the school was being operated. Is that right?

8 A Well, I think the letter speaks for itself.
9 There were concerns about some operational aspects, but I
10 think the purpose of the letter was -- this was one in a
11 series of communications attempting to get answers on
12 various questions from the charter school and their
13 attorneys.

14 Q And was it the intent of this letter to get
15 the information that you requested and then to review that
16 information and determine whether the charter school was in
17 compliance with its charter?

18 A That certainly would have to be an aspect of
19 it, yes.

20 Q And if you determined that the charter school
21 was not in compliance with the charter then you would have
22 advised the charter school to remedy its violations,
23 wouldn't you?

24 A Me personally?

25 Q You or one of your partners or the district.

Freund - Cross

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1 A Well, no, we wouldn't have had direct contact
2 with the charter school. We would make our recommendations
3 to our client and they would act on them accordingly. Or
4 not.

5 Q And your recommendation would be "Tell the
6 charter school they're in violation and they need to fix
7 it," right?

8 A Yes. Well, ultimately our recommendation is

9 contained in the formal resolution which we found that there
10 was sufficient evidence of ongoing violation of the charter
11 and the charter law to justify these proceedings.

12 Q Well, that was in June of '08 or May of '08,
13 correct?

14 A Yes.

15 Q And how did you -- how did you make that
16 recommendation without having the information that you
17 requested in the April 10th letter?

18 A Well, we had some information. We did other
19 investigation and, of course, some of the problems with
20 regard to the finances speak for themselves. I mean, the
21 lease amount in itself certainly -- and the amount of money
22 that was being paid to Pastor Bloom and his family in itself
23 were prima facie evidence to us of gross financial
24 mismanagement.

25 Q Well, how did you know how much money was being
Freund - Cross 465
1 paid to Pastor Bloom and his family?

2 A Well, we had some records.

3 Q From ...?

4 A From different sources. They're public
5 documents.

6 Q And you certainly knew that before you renewed
7 the charter in 2006, correct?

8 A I think --

9 MS. SCHURDAK: I'm going to object to
10 relevancy. I mean, at any time pursuant to the term of the
11 charter the board may move to revoke. Whether or not a
12 condition existed at some point in time prior to the renewal
13 is completely irrelevant and non probative to this
14 proceeding here today.

15 MR. FENNICK: Well, now we're back to the
16 original position on pre-2006 documents. I think --

17 MS. SCHURDAK: And Judge Cheslock's order.

18 MR. LITTS: Well, as to the relevancy I won't
19 rule on that but, Mr. Fennick, I did give you some latitude
20 in how far you want to go down this road because you will
21 have an opportunity to present evidence and we are well
22 beyond the scope of Attorney Freund's examination.

23 MR. FENNICK: Well, let me just pick one and
24 ask him about that if that's all right and then I will be
25 done with it.

♀

Freund - Cross

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1 Q All right, let's take No. 2 on the letter,
2 Mr. Freund.

3 MR. LITTS: Which letter are you referring to?

4 MR. FENNICK: The letter of April 10th, 2007.
5 Exhibit 23.

6 MS. SCHURDAK: No, that's not Exhibit 23.

7 MR. LITTS: Exhibit 23 is Attorney Freund's
8 letter of July 16th of 2007.

9 MR. FENNICK: All right. Okay, I'm sorry.
10 May I approach the witness?

11 MR. LITTS: You may.

12 MS. SCHURDAK: Are you looking for School
13 District 14?

14 MR. FENNICK: We're fine. I'm looking at
15 Exhibit No. 23, which is Mr. Freund's letter to Mr. Langsam.

16 Q And what I was asking you -- I wanted to go
17 into the issue of -- you wanted the stuff, when you got the
18 information you would look at it, and this is the letter
19 you're saying you never got a response to, SD-23.

20 A I don't recall a response. At least not a
21 satisfactory response.

22 Q Ah, that's different.

23 A There are things that dribbled in from time to
24 time. I don't recall a comprehensive response to this
25 letter.

♀

Freund - Cross

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1 Q Okay. Which is the letter that was the
2 original request for information?

3 A I'm sorry.

4 Q That's Exhibit 14, correct?

5 A I don't know.

6 MS. SCHURDAK: He wasn't here yesterday, so he
7 wouldn't know.

8 MR. FENNICK: Well, I assume he can

9 MS. SCHURDAK: It's not in the binder because
10 it was introduced, I believe, yesterday.

11 MR. LITTS: Ellen, Dan, please approach.

12 (Off record.)

13 Q I apologize, Mr. Freund. I was asking you
14 about the April 10th letter.

15 A That's quite all right, Mr. Fennick. Where do
16 I find it, sir?

17 Q Doesn't matter. It's my mistake. The letter
18 that you sent was sent after that. What I want to know is
19 if you would take a look at Exhibit 15.

20 A I'll let you show it to me.

21 Q Okay.

22 MR. FENNICK: We introduced an exhibit last
23 time, right, Exhibit 15.

24 MS. SCHURDAK: SD-15.

25 Q In this exhibit is a letter from Mr. Langsam to
Page 19

1 Dr. Pfennig dated June 8th, 2007. Do you see that?

2 A Yes.

3 Q And then your letter that we just talked about,
4 23, was in response to Mr. Langsam's letter.

5 A Yes.

6 Q Okay. That's all I wanted to know. And you're
7 not here to say that you didn't get the documents that Mr.
8 Langsam mentioned in his June 8th letter, are you?

9 A Do you mind if I look at the letter?

10 Q Please, look at the letter. I apologize for my
11 confusion.

12 A I'm not sure I understand -- is your question
13 did I get what appears to be Exhibit 15?

14 Q Yes.

15 A All right, Mr. Fennick, what's your question
16 again?

17 Q Let's try it again. Would you agree with me
18 that there was a letter from Dr. Pfennig to Reverend Bloom
19 asking for a number of documents because there were concerns
20 about compliance with the charter? And I can show it to you
21 to refresh your recollection.

22 A Yes, I have that letter in front of me. Well,
23 no, wait a second. Wait. No, I don't have his letter, I
24 don't have Dr. Pfennig's letter.

25 Q If you look at Mr. Langsam's letter he refers

1 in the very first paragraph --

2 A Yes, he says there's a letter of April 10th,
3 2007.

4 Q So, as I understand it from Miss Schurdak in

5 our sidebar conference, the response to Dr. Pfennig's letter
6 came from Mr. Langsam so then you became involved and you
7 sent Exhibit 23 in response to Mr. Langsam.

8 A Yes.

9 Q And then you engage in some kind of dialogue
10 with Mr. Langsam over whether the right documents have been
11 supplied and whether certain conditions have been fulfilled.
12 Is that fair to say?

13 A I think it's fair to say. I don't think it's a
14 question of right documents, I think notwithstanding what
15 documents were received they weren't sufficient to answer
16 the questions that Dr. Pfennig had in his original letter.

17 Q Does your letter, Exhibit 23 --

18 A Yes, sir.

19 Q -- does that specifically refer to Condition 65
20 of the charter?

21 A 65?

22 Q Yes.

23 A Of the current charter?

24 Q Yes.

25 A No, it doesn't.

♀

Freund - Cross

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1 Q Would you agree with me that as an attorney and
2 a district solicitor if you intended your letter of
3 July 16th to be notice under Charter Condition 65 you would
4 have written that in the letter?

5 A I don't think that this was notice. That was
6 saying we don't have enough information, you're not giving
7 us the information that we need to make these
8 determinations.

9 Q Okay.

10 MR. FENNICK: I have no further questions.

11 MS. SCHURDAK: I think I have one or two
12 follow-up questions.

13 MR. LITTS: Okay.

14 - - -

15 REDIRECT EXAMINATION BY MS. SCHURDAK:

16 Q Mr. Freund, during your cross examination you
17 referenced that you had concerns and I think your phrase was
18 sharing common control. You mean the charter school and the
19 Shawnee Tabernacle Church.

20 A Yes.

21 Q Can you tell the board what it is that you mean
22 by your concerns about sharing common control?

23 MR. FENNICK: I'm going to object.

24 MR. LITTS: Basis?

25 MR. FENNICK: The basis is that this is the

Freund - Redirect 471

1 attorney for the board advising his own board on what he
2 believes the circumstances of the case are and what he
3 believes the law to be and what he believes the charter
4 means. If we're going to do that we might as well not have
5 a hearing, Mr. Freund can just write a decision and say,
6 "This is my opinion."

7 MR. LITTS: Well, I understand your objection,
8 Mr. Fennick. First off, it's overruled. I mean, he
9 responded in his testimony to questions you raised about
10 this issue of common control. The board, I believe, and I
11 will instruct them that, you know, as to matters of opinion
12 they are simply that, opinion, and they can do with them
13 what they want, whether it be expert opinion they receive or
14 opinion from an attorney or any other individual, and that
15 we're going to base any decision on substantial evidence

16 that's supported by the record. So, with that caveat I'll
17 let him answer the question.

18 MS. SCHURDAK: If I can place on the record,
19 additionally, Mr. Freund is not advising the board on this
20 issue, I believe you are, Hearing Officer Litts.

21 A Could I have the question again, please?

22 Q Certainly. During your cross examination you
23 referenced concerns about sharing -- the sharing of common
24 control between Shawnee Tabernacle Church and the charter
25 school. Can you tell me what you mean by sharing common

Freund - Redirect

472

1 control?

2 A Well, there are other aspects, but, most
3 specifically, Pastor Bloom's role in the church and Pastor
4 Bloom's counterpart role in the charter school. In fact,
5 Pastor Bloom appears on both sides --

6 MR. FENNICK: I'm going to object. I'm sorry,
7 Mr. Litts, but since he is asserting facts I would like him
8 to limit those to his own personal knowledge or at least
9 tell us that these are things that he has heard from other
10 people.

11 MR. LITTS: Your objection's overruled.

12 A I have seen documents in which he signed both
13 for the church and the school and it's pretty obvious that
14 there is -- that that's a reason for concern about whether
15 any of these transactions are arm's length.

16 Q And when you say documents, and it's going to
17 be in the stack in front of you, Mr. Freund, but as an
18 example are you referring to School District 12? Hopefully,
19 they are in order since Mr. Fennick would like you to refer
20 to specific facts in your testimony.

21 A I'll let you show me, Attorney Schurdak. I'm

22 I learning something about being a witness.

23 Q I hope it's pleasant.

24 A It's not as easy as we'd like to assume. Yes,

25 I have in front of me Exhibit 12 which is a deed dated

Freund - Redirect

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1 December 29th, 2006.

2 Q And who signed the deed?

3 A The deed is signed on behalf of Shawnee
4 Tabernacle Church, Inc., by Reverend Bloom, President.

5 Q Is that an example of one of your concerns?

6 A Yes. I recall other documents, too, but I
7 can't identify them without someone showing them to me.

8 Q I think we have evidence in the record and I
9 won't have you go through them one by one. I think I have
10 made my point and with that I have no further redirect,
11 Mr. Freund.

12 MR. FENNICK: Well, I do.

13 - - -

14 RE-CROSS EXAMINATION BY MR. FENNICK:

15 Q Mr. Freund, is there any evidence, any facts
16 that could be presented to you that would change your mind
17 about the significance of the signature on School District
18 Exhibit 12?

19 A I'm not sure exactly what your question is,
20 Mr. Fennick.

21 Q I'm asking you are there other facts that you
22 might want to know before you draw that conclusion?

23 A Well, the only conclusion I'm drawing here is
24 that Mr. Bloom's -- appears to be operating on both sides of
25 the table in a number of matters concerning the charter

Freund - Recross

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1 school and the -- this is just one instance where he
2 transfers property from Shawnee Tabernacle Church, in this
3 case, as opposed to himself and his wife.

4 Q That's all you need is that deed.

5 A No.

6 MS. SCHURDAK: Objection. That was not his
7 testimony.

8 A There are other --

9 MS. SCHURDAK: Mischaracterizing.

10 A There are other documents as well.

11 Q Like what?

12 A I'll have to look through all of them.

13 MS. SCHURDAK: You're welcome to it,
14 Mr. Freund. There's about 33 exhibits there. If you go to
15 the binder, the master lease, I believe, has been previously
16 identified.

17 MR. ANDERS: Are you having a conversation with
18 the witness on cross examination?

19 MS. SCHURDAK: I'll have you refer to School
20 District No. 1 and I believe --

21 MR. ANDERS: I'll object to this.

22 MS. SCHURDAK: -- that's in the binder.

23 MR. LITTS: Hold up. Hold up. I provided
24 Counsel with some latitude on cross examination. If we're
25 going to be going down a whole different road that's well

♀

Freund - Recross 475

1 beyond the scope then you guys need to address me because
2 that's not what we agreed to at the beginning of this
3 proceeding. I was told in the back when we talked we would
4 be talking about a single letter, specifically, the
5 July 16th, 2007, letter, and about discussions about utility
6 sharing and now we've gone far afield.

7 MR. FENNICK: Yes, I think you were told he
8 would be asked three questions.

9 MR. LITTS: And, Mr. Fennick, you've --

10 MR. FENNICK: He was asked a lot more than
11 three questions on direct.

12 MR. LITTS: Well, but that was the
13 understanding of the subject, so at some point in time I'll
14 shut this down because it's well beyond what we agreed to
15 and if you want to have Attorney Freund as your own witness
16 to talk about his opinions as to certain things that's a
17 call you can make and can talk about that with the
18 respective parties, but I think you're exhausting the terms
19 of the agreement that we reached in the back and I'm
20 assuming you're both willing to honor.

21 MR. FENNICK: Are you telling him to stop
22 looking?

23 MR. LITTS: Well, I'm not doing that. Are you
24 willing to honor the agreement you made before we started
25 the hearing? That's what I'm asking.

Freund - Recross

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1 MR. FENNICK: I can't answer that question,
2 Mr. Litts. Attorney Schurdak clearly went beyond where she
3 said she was going to go. I believe that Mr. Freund went
4 beyond a question that I asked him in his answer and
5 Attorney Schurdak then said, "Well, let me show you this.
6 What does this mean?" "Let me show you that." "What does
7 that mean?"

8 MR. LITTS: The concern I have is, again, I
9 can't control what Counsel asks as far as questions. I
10 thought I had a very reasonable understanding of what the
11 scope of this witness's testimony would be and out of

12 respect for Pastor Bloom's own schedule we'd like to have
 13 him finish up today because we don't want to have to bring
 14 him back.

15 Now, Counsel, we're well beyond what I thought
 16 we'd be getting into here. I'm not trying to prevent anyone
 17 and I'm telling you if you want the opportunity to question
 18 Mr. Freund I'll give you that opportunity. It might not be
 19 today. Is that what you would like to do, Mr. Fennick?
 20 Do you want to continue questioning Mr. Freund on certain
 21 things?

22 MR. FENNICK: Yes.

23 MR. LITTS: Then why don't we work out a
 24 mutually agreeable date for that?

25 MR. FENNICK: Very well. Thank you.

Freund - Recross

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1 MR. LITTS: Any other questions based on the
 2 original direct examination of this witness; specifically,
 3 the terms of the letter?

4 MS. SCHURDAK: Not from me.

5 MR. LITTS: Mr. Fennick?

6 MR. FENNICK: No.

7 MR. LITTS: We'll excuse the witness and,
 8 Mr. Fennick, if you want to speak to Ms. Schurdak about
 9 additional testimony from Mr. Freund you guys can work that
 10 out amongst the two of you.

11 MS. SCHURDAK: With consultation with
 12 Mr. Freund as to his availability.

13 MR. LITTS: Yes, we try to do that with all the
 14 witnesses.

15 MS. SCHURDAK: Right.

16 MR. LITTS: The witness is excused.

17 MS. SCHURDAK: Thank you. May we take a one

18 minute break?

19 MR. LITTS: We'll take a brief break and when
20 we come back Pastor Bloom will continue his testimony.

21 MS. SCHURDAK: Thank you.

22 (Recess from 11:07 a.m. to 11:15 a.m.)

23 MR. LITTS: Miss Schurdak, are you ready?

24 MS. SCHURDAK: I am.

25 MR. LITTS: Mr. Anders?

D. Bloom - Cross 478

1 MR. ANDERS: Yes.

2 MR. LITTS: Pastor Bloom, can you please take
3 the stand again?

4 - - -

5 DENNIS BLOOM, having been duly sworn according
6 to law, testified as follows:

7 - - -

8 MR. LITTS: Pastor Bloom, you have already been
9 sworn in yesterday so that won't be needed and you can
10 continue questioning of this witness.

11 MS. SCHURDAK: Thank you, Mr. Litts.

12 CONTINUED CROSS EXAMINATION BY MS. SCHURDAK:

13 Q Good morning, Pastor Bloom.

14 A Good morning.

15 Q You have a stack in of exhibits in front of you
16 and I will have you refer to SD-17 which, I believe, is your
17 employment contract. Have you found the document?

18 A Yes.

19 Q And pursuant to your employment contract with
20 the charter school part of your job duties and responsi-
21 bilities is to manage the organization contracts including
22 leases and employment contracts. Is that not true?

23 A Part of my duties.
 24 Q Part of your duty in Paragraph No. 7. Correct?
 25 A Okay.

D. Bloom - Cross 479

1 Q Well, not okay. That's what your employment
2 contract states.

3 A Yes, I have many duties, yes.

4 Q And that's one of your specific duties as
5 outlined in your employment contract with the charter
6 school.

7 A Yes.

8 Q The church's telephone number in 2007 is
9 570-894-9650. Have I stated that correctly?

10 A Yes.

11 Q And the church's fax number during the same
12 period of time was 570-894-8175. Have I stated that
13 correctly?

14 A I believe so.

15 Q And, in fact, Pastor Bloom, you did not, as CEO
16 of the charter school, have in your possession a
17 professional appraisal as to fair market rental values for
18 the space that the charter school was leasing prior to
19 signing the master lease in July 2007.

20 A We weren't asked for one.

21 Q I'm sorry?

22 A We were not asked for one.

23 Q That's not the question. The question is you
24 did not have a professional appraisal in the charter
25 school's possession prior to having the charter school sign

D. Bloom - Cross 480

1 a 10 year lease paying \$77,000.00 a month to the church,
2 did you?

3 A I don't recall.

4 Q You don't recall.

5 A Correct.

6 Q Well, your attorney in 2007 sent a letter that
7 was discussed here this morning and has been previously
8 identified as School District 15 and you have seen that
9 document. In fact, we discussed it yesterday, did we not?

10 A We discussed a lot yesterday.

11 Q Yes, we did. Fair enough, sir. And in School
12 District 15 -- and I think if you go to Exhibit --

13 MR. ANDERS: I'm going to object to this line
14 of questioning. We went through all this yesterday. We're
15 just rehashing again and just because we start a new day
16 doesn't mean we get to ask the same things from the day
17 before.

18 MR. LITTS: I don't disagree, Mr. Anders, but I
19 don't have a question in front of me yet, so I think it's
20 premature to rule on it.

21 Q With respect to SD-15 the only document that
22 speaks to fair market rental value is a handwritten note
23 from Cookie.

24 MR. ANDERS: Objection. We asked and
25 answered all of this yesterday. In fact, that question was

D. Bloom - Cross 481

1 asked about four times yesterday.

2 MS. SCHURDAK: Let me fast track, if I can.

3 MR. LITTS: Then I'll sustain the objection.

4 It has been asked and answered and testified to yesterday.

5 Q Pastor Bloom, I want you to look at that first
6 page, the one page document from Cookie. In fact, that one
7 page document wasn't sent to you as CEO of the charter

8 school. In fact, it was sent to you as pastor of Shawnee
9 Tabernacle Church, wasn't it?

10 A Where's that document?

11 Q Within SD-15. It is -- there's a piece of
12 paper in front of it saying Exhibit No. 2.

13 A I have it.

14 Q And it was sent to you and it lists the phone
15 number, 570-894-9650. That's the church's phone number.

16 A It should be. Yes.

17 Q And the fax number, 8175, is the fax number for
18 the church.

19 A Exactly.

20 Q And, so, this was sent to you, Pastor Bloom,
21 as pastor of the church.

22 A It should.

23 Q You're pastor of Shawnee Tabernacle Church
24 which involves not only attending services on Sunday. Am I
25 correct?

♀

D. Bloom - Cross

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1 A In regards to what?

2 Q Your duties as pastor.

3 A Yes, we do deaths, burials, things like that.

4 Q And you do more than that. For example, when
5 someone -- a family member of one of your congregation
6 members is in crisis they may call and ask for your
7 assistance as pastor.

8 A They can call and ask for assistance of
9 deacons, associate pastors, yes.

10 Q And like many things in life, crises don't
11 happen during the business hours -- strike that. Crises can
12 happen anytime during the day.

13 A If you say so.

14 Q I'm not, it's my question to you.

15 A No, that wasn't a question. What is the
16 question?

17 Q The question is haven't you experienced as
18 pastor of Shawnee Tabernacle Church calls at any hour of the
19 day seeking your guidance from people whether they're
20 members or congregationalists within your parish or church?

21 A Do I personally?

22 Q Yes.

23 A Many calls don't come to me personally,
24 they'll call my associate pastor.

25 Q And who is your associate pastor?

D. Bloom - Cross

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1 A Pastor Simon.

2 Q Is that the same pastor who used to be security
3 at the charter school?

4 A Security? I don't know. You have records.
5 Yes.

6 Q And is that the same assistant pastor whose
7 contracting company built your house that's adjacent to
8 Shawnee Tabernacle Church?

9 MR. ANDERS: Objection. Relevance.

10 A I don't know the relevance of that.

11 MR. LITTS: Objection sustained.

12 Q With respect to accreditation, that application
13 is still pending, if I understand your testimony from
14 yesterday correctly.

15 A You mean the Middle States accreditation that
16 they wanted the charter school -- our charter school to get
17 involved with and not the other charter school?

18 Q No, sir. Actually, it's the -- and if you go

19 to SD-15 it's the accreditation application that you
20 submitted on behalf of the charter school.

21 A When you say you, you mean the charter school
22 submitted.

23 Q I'm saying you personally. I believe it
24 contains your signature on one of the documents.

25 A Does it? Where?

D. Bloom - Cross

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1 Q Go to SD-15, second page, for the registration
2 form.

3 MR. ANDERS: What exhibit of 15 is that?

4 MS. SCHURDAK: It is marked as Exhibit 6A, as
5 in apple.

6 Q The second page contains your signature as head
7 of school, does it not?

8 A Naturally.

9 Q And this registration is for accreditation for
10 the grades 7 through 12, right? Am I reading that
11 correctly?

12 A Yes. My principal fills this out and I sign
13 off on it.

14 Q But currently, Pastor, you're not offering
15 classes or education for grades 7 through 12, are you?

16 A The last time I checked we've been doing that
17 for six years, but

18 Q So, it's your testimony that you're offering
19 educational services kindergarten through 12th grade at this
20 time.

21 A Every piece of paper that you received, and
22 we've given you 15,000, surely shows it's a K-12 school.

23 Q That's not my question. My question to you is
24 today the charter school is educating kindergarten through

25 12th grade.

D. Bloom - Cross

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1 A Yes.

2 Q Can you explain to me then, Pastor Bloom,
3 why you're advertising only 2000 and 2009 [sic] for
4 education of classes kindergarten through 6th grade?

5 A Because the board really wants to fill those
6 gaps strong. If we can build them up strong when they're
7 young they'll be great when they get older.

8 MR. ANDERS: Does this have an exhibit number?

9 MS. SCHURDAK: No, I haven't offered it as an
10 exhibit.

11 Q And the phone number listed there is 9650.

12 A Yeah. We had a problem with the printer.
13 Unfortunately, we do a lot of printing and the printer put
14 in the wrong number, but they mail out the things
15 immediately from the printing shop and we couldn't do
16 anything about that particular mail out.

17 Q And you would agree with me, that's the number
18 for Shawnee Tabernacle Church.

19 A Oh, we told them that, too.

20 Q Pastor Bloom, I have in front of you an exhibit
21 marked as SD-41.

22 MR. LITTS: Hold up. According to my numbering
23 we're at SD-39.

24 MS. SCHURDAK: Yes, and that's because I
25 pre-marked some things but because of his testimony this

D. Bloom - Cross

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1 morning I have not moved to introduce them.

2 MR. LITTS: Okay. Well, then, let's mark this
3 exhibit as SD Exhibit 39. It appears to be a one page

4 document for a company, Giant Floor and Wallcovering, Inc.,
5 and you may proceed with your questioning.

6 MS. SCHURDAK: So, we'll -- we'll renumber this
7 as 39 from what I have in the blue label.

8 MR. LITTS: Yes, we'll fix that if it needs to
9 be fixed.

10 MS. SCHURDAK: It will.

11 (GIANT FLOOR INVOICE marked for identification
12 as School District Exhibit No. 39.)

13 Q Pastor Bloom, the charter school spent
14 approximately \$15,000.00 for labor and materials as it
15 relates to the stair treads put in the addition of the
16 building.

17 A Correct.

18 (DOOR INVOICE marked for identification as
19 School District Exhibit No. 40.)

20 Q And I have labeled this and I have already
21 changed the number on the blue label, so it now reads School
22 District 40 and the charter school spent roughly \$67,000.00
23 on doors for its leased space. Is that correct, sir?

24 A Correct, yeah. They wanted certain doors.

25 Q Now, yesterday, Pastor Bloom, during your

D. Bloom - Cross

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1 testimony you mentioned that you would be glad to sit down
2 over lunch and try to work things out and I'm paraphrasing,
3 but is that an accurate portrayal of the substance of your
4 testimony with respect to that issue?

5 A With who?

6 Q You said at one point in your testimony
7 yesterday you'd be glad to sit down with the superintendent
8 during lunch and try to work things out.

9 A Oh, we've been saying that for years, but we

10 never had meetings.

11 Q Well, you haven't done that with respect to
12 Special Education, have you?

13 A I think that's a whole new issue in itself.
14 We wanted to have a beautiful relationship, but there's been
15 no communication between us.

16 Q Well, in terms of the beautiful relationship
17 that you would like to have between the charter school and
18 the school district, if you can turn -- and this should be
19 in the binder. Turn to J-27.

20 A Can I have a number?

21 Q In fact, in July of 2007 you advised the
22 superintendent that "We will not be meeting with your staff
23 as it relates to issues surrounding Special Education,"
24 correct?

25 A Special Education is under the state

D. Bloom - Cross

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1 department.

2 Q But you did agree to certain conditions within
3 the underlying charter --

4 A Within the laws of Pennsylvania.

5 Q -- that -- again, we have a court reporter,
6 Pastor Bloom, and she cannot take down two people speaking
7 at once. She's good, but not that good.

8 A All right.

9 Q And you did agree to certain oversight by
10 Pocono Mountain School District.

11 A According to Charter School Law, yes,
12 definitely.

13 Q And, so, you authored a letter -- well, strike
14 that. And, likewise, the principal, Mr. Severs --

15 A Severs.

16 Q -- wrote a letter that's already been admitted
17 into evidence, J-14 -- I'm sorry, I think it's J-16. I
18 apologize, J-16, and he concludes "This is the second
19 misguided attempt you've made to insert your opinions.
20 Please stop." Have I read that accurately?

21 A You probably have.

22 Q Well, look at it, sir. It's J-16.

23 A I know the letter. Clearly we've gotten false
24 accusations made by the district already in January of that
25 year accusing us of declassifying students improperly and it

D. Bloom - Cross

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1 was found to be false and without merit. So, I can
2 understand the letter.

3 Q But do you think that kind of language fosters
4 that blossoming relationship that you're striving for
5 between the school district and the charter school?

6 A No. 1, there hasn't been a blossoming
7 relationship. We have tried on many occasions to have one,
8 but it's been adversarial for no reason at all. So,
9 unfortunately, that letter was sent back because Special
10 Education Law is governed under the charter under the State.

11 Q Are you an attorney, Pastor Bloom?

12 A I don't need to be. I can read the law.

13 Q Do you have a degree --

14 A We can submit the Charter School Law.

15 Q Do you have a J.D.?

16 A A J.D.?

17 Q Yes.

18 A No, I went through Pre-Law.

19 Q Where is that on your resume?

20 A Doesn't have to be. Four years of John Jay

21 College, Pre-Law.

22 Q What methods did you use as CEO of the charter
23 school to try and foster the relationship between the
24 district and the charter school?

25 A Well, many times we dealt only with Paul Kelly
D. Bloom - Cross 490

1 because no one else would show up at the building.

2 Q I want to stop you for a moment because --

3 A You said --

4 Q I don't mean to be rude, but can you
5 identify -- when you say we who are the individuals
6 you're --

7 A Principal, myself on many occasions we called
8 Paul to come on down and, in fact, prior to the renewal when
9 we were in negotiations they were supposed to assign a
10 liaison to us and Paul said he would be that liaison, Paul
11 said he'd show up at every meeting and never showed up since
12 2006. I think he came once or twice since then. So, in
13 four years we haven't seen him. He said we were going to
14 have -- he said, "Let's sit down and talk and let's make
15 sure that everything is well. We'll go over monthly the
16 accounting work and the principals and things like that."
17 He [sic] said, "You know, that'd be a great idea. That way
18 we can not go through these hassles that we've been going
19 through," and yet he never showed up and then I think it was
20 in 2007, about January or February, I don't know -- the
21 exact date I'm not sure when he did show up, but at one
22 point -- I said, "Paul, what happened to you the last six
23 months?" He said, "Oh, I got tied up. I'm sorry, Pastor,"
24 and after that I said, "You know, let's keep the meetings
25 going," and he's never shown up again.

1 Q How about if you come here and met with Paul
2 Kelly?

3 A Paul's never here. We call, that's it, I'm
4 sorry.

5 Q When did you call Paul Kelly?

6 A I called Paul many times.

7 Q What's the date, sir?

8 A I don't know the exact date. Pick a month.

9 Q Nope, exact date.

10 A I can't pick -- 2006, every month, maybe in
11 2007 for a couple of months. He never showed up.
12 Unfortunately --

13 Q You haven't, Pastor Bloom, mentioned any
14 methods you've tried to foster the relationship with respect
15 to Special Ed. between the two parties. What --

16 A What relationship? Special Ed.'s under the
17 state. Our relationship with Special Ed. is with Debbie
18 Sotack or the state. Our Special Ed. is wonderful.
19 Our Special Ed. department has gotten -- it's a good class.
20 We've had issues at times, but we corrected our issues.

21 Q So, it's fair for me to say that you have done
22 nothing to foster the relationship between the charter
23 school and school district with respect to issues relating
24 to be Special Education.

25 A What do we need to have at this point? If

1 we're doing something wrong the state oversees us.

2 Q In fact, Pastor Bloom, you don't have a lot of
3 respect for the school district, do you?

4 A Oh, I love the school district.

5 Q Well --

6 A I think we're supposed to be heading in the
7 same direction for the benefit of the children.

8 Q Well, Pastor Bloom, I'm going to ask you why,
9 then, in a November 2009 Shawnee Tabernacle Church bulletin
10 it says as follows: "Let us join together --"

11 MR. ANDERS: Could you show him the exhibit,
12 please?

13 MS. SCHURDAK: I haven't offered it as an
14 exhibit.

15 MR. ANDERS: He can't see whether you're
16 reading it correctly without a copy in front of him.

17 Q Go to the sixth page of the document, please.
18 Pastor Bloom, your church newsletter as of November this
19 year stated as follows: "Let us join together as a unified
20 body --"

21 A Where are you reading?

22 Q Hmm?

23 MR. ANDERS: Where are you reading?

24 A Happenings at Shawnee. Approximately the sixth
25 page in. It reads as follows, does it not? "Let us join

D. Bloom - Cross 493

1 together as a unified body and pray and fast to lose the
2 bonds of the school district against our pastor and first
3 lady and our school. Let us bond together to destroy the
4 stronghold of evil and usher in a spiritual harvest of
5 victory against the school district." Did I read that
6 accurately, sir?

7 MR. ANDERS: But there's no foundation laid
8 that Pastor Bloom prepared this exhibit.

9 A I don't write these things.

10 MR. ANDERS: And the question was -- excuse me.

11 And the question was about his fostering a relationship with
 12 the school district and you have laid no foundation that
 13 this document was prepared by him.

14 MR. LITTS: Why don't we withdraw the question
 15 and ask it this way? Was this something disseminated by the
 16 church? Let's start there. Pastor Bloom?

17 A Right. People -- I have nothing to do with
 18 newsletters. I get them at the end. They're ministries of
 19 the church in here, prayer ministries and things like this.

20 MR. LITTS: My question is, sir, is this --
 21 SD-41, is this something that Shawnee Tabernacle Church
 22 distributed?

23 A Yes, a newsletter.

24 MR. LITTS: Miss Schurdak, you can continue
 25 your questioning.

D. Bloom - Cross

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1 Q And if we go to the fourth page in it says,
 2 does it not, Shawnee Times, and it references yourself and
 3 your wife right on the top one-third of the page.

4 A Yes.

5 Q And you're pastor of Shawnee Tabernacle Church.

6 A I'm one of the pastors, yes.

7 Q And as pastor it's important for you to know
 8 what's in the church's newsletter, isn't it?

9 A No, it's not. They have separate ministries,
 10 ma'am.

11 Q And I note above this statement about
 12 destroying the stronghold of evil against the school
 13 district you're actually advertising the charter school in
 14 this newsletter, aren't you?

15 A Where do you see that?

16 Q Right above it. It's right above pray and

17 fast. Pocono Mountain Charter School, private school
18 setting for free.

19 A Well, they pay for advertising in here.

20 Q How much does -- the charter school pays the
21 church for this ad. This is an ad?

22 A It's an ad.

23 Q And how much does the charter school pay?

24 A I don't know. I think it's \$25.00.

25 Q And I'm looking through this bulletin or I

D. Bloom - Cross

495

1 guess you call it a newsletter, excuse me, newsletter,
2 and there aren't any other paid advertisements in here,
3 are there?

4 A I don't know. I don't write these things and I
5 don't handle that, but if you see the various other ones
6 they do have, and they do have many advertisements on many
7 of them like hair salons, accounting businesses. They're
8 all advertised.

9 Q Take your time and --

10 A It's not in this one, I didn't find it, but the
11 last month's they had many of them.

12 (NEWSLETTER marked for identification as
13 School District Exhibit No. 41.)

14 Q In SD-41, which is the newsletter put out by
15 the church --

16 A I think that was November's.

17 Q -- there's only one paid advertisement.

18 A Well, I don't know -- you cannot say that
19 because I don't know where this -- whether there's anything
20 else in here they may have advertised for or paid for. I
21 don't handle the newsletter. I get copies of it at the end

22 when they're done just like everybody else would, but
 23 there's a whole team that handles advertising and billing,
 24 et cetera, et cetera.

25 Q The charter school is in the process of

D. Bloom - Cross

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1 fundraising, is it not, so that it can proceed to build an
 2 audi tori um.

3 A We hope so.

4 Q And like the other capital improvements that we
 5 discussed at length yesterday the charter school will be
 6 paying for the building of the audi tori um, correct?

7 A No, no one said that.

8 Q Well, are there any amendments that have been
 9 signed by the charter school since the charter school
 10 executed the master lease?

11 A I don't recall.

12 Q You don't recall?

13 A No.

14 Q Well, Pastor Bloom, you're CEO of the charter
 15 school.

16 A Well, let me give you an example. If a child
 17 that was in the paper the other day or a couple of weeks
 18 back finds his way to Swiftwater, all the way up to the
 19 casino, that's the responsibility of the superintendent to
 20 be --

21 MS. SCHURDAK: This is not responsive --

22 A Is he supposed to know?

23 MS. SCHURDAK: This is not responsive, Officer
 24 Li tts.

25 Q Pastor Bloom, according to your employment

D. Bloom - Cross

497

1 contract, and we started off with this testimony earlier

2 this morning, it is your job and responsibility to oversee
3 the lease agreement. Would you agree with that statement?

4 A The board deals with that, attorneys deal with
5 that, and then they tell me what to do.

6 Q Your employment contract, and you can pull it
7 out, School District 17, I believe, requires that as your
8 job and your responsibility.

9 A Negative. There are many people in the employ
10 of this building that have opportunities and jobs. That's
11 why we have attorneys and school boards.

12 Q So, you're saying that your employment
13 contract -- and please pull out since you're saying this
14 isn't your job and responsibility -- well, let's then go to
15 SD-17 and under Position, Duties, and Responsibilities

16 A Go ahead.

17 Q It says under A, School Finance, Paragraph No.
18 7, "Manage the organization's contracts including leases and
19 employment contracts." Have I read that correctly from your
20 employment contract?

21 A That's right, we do manage, yes.

22 Q Thank you. And it's your testimony here today
23 that you don't know the charter school has signed any
24 amended lease since the master lease.

25 A I don't recall.

♀

D. Bloom - Cross

498

1 Q You don't recall. Do you recall whether or not
2 as CEO of the charter school that the charter school signed
3 any new lease with its landlord, the church?

4 A I don't recall.

5 MS. SCHURDAK: If I could have a moment. I
6 would move for the introduction of 39, 40, and 41 into

7 evi dence.

8 MR. LITTS: Any objecti on?

9 MR. ANDERS: I object to 41.

10 MR. LITTS: Basi s?

11 MR. ANDERS: No legal relevance, wasn't
12 prepared by this witness, and no foundation for it.

13 MR. LITTS: Pursuant to my questi on he did say
14 that this was prepared and disseminated by the church.

15 MR. ANDERS: I understand, but that doesn't
16 mean that it's in view of Pastor Bloom or he had any
17 involvement in the preparation of it.

18 MS. SCHURDAK: It's not offered for that
19 purpose, it's offered --

20 MR. ANDERS: Yes, it was offered for that
21 purpose because she asked him the questi on what his attitude
22 was towards the school district. Didn't ask what the
23 church's attitude was or the staff of the newsletter, she
24 asked him what his attitude was and then she followed up
25 using this document to try and say that he had a bad

D. Bloom - Cross

499

1 atti tude.

2 MR. LITTS: Your objecti on's noted for the
3 record. The board will consider and give it what value it
4 believes is appropriate, but I am -- there's no objecti on to
5 School District 39 and 40. That's admitted. Noting your
6 objecti on, Mr. Anders, we'll admit School District 41.

7 MS. SCHURDAK: With that I have no further
8 questi ons of this witness.

9 MR. LITTS: Before we proceed with cross I want
10 to check with Mr. Anders. I note it's about 10 of 12:00.
11 Do you want to take a break now for lunch or -- at some
12 point we'll take a lunch break, but I don't want to --

13 MR. ANDERS: Let's see how far we go.
14 MR. LITTS: I'll shoot for around 12:30 for our
15 lunch break.
16 MR. ANDERS: I won't be done.
17 MR. LITTS: I understand. That's why I'm
18 asking you now.
19 MR. ANDERS: We'll break at 12:30.
20 MR. LITTS: You may proceed, sir.

21 - - -

22 DIRECT EXAMINATION BY MR. ANDERS:

23 Q Pastor Bloom, you were asked questions about
24 Exhibit 41, the newsletter. I'll direct your attention to
25 the last page of that and I'll show you a copy of it.

D. Bloom - Direct 500

1 Does that set forth the staff of the newspaper?

2 A Yes, it does.

3 Q Does your name appear there?

4 A No, it doesn't.

5 Q Miss Schurdak didn't bother to ask you about
6 the staff of the newsletter, did she?

7 A No, she didn't.

8 Q And yesterday you were asked some questions
9 about the bonus that your daughter received.

10 A Yes.

11 Q And was she the only one who received a bonus?

12 A No, there were about, I think, about 10 or 12
13 people who got that. Everyone who worked in the summertime
14 for the charter school got it for the great work they were
15 doing during the summer to get it ready for school.

16 Q Was that reflected in the pay records provided
17 in discovery in this case?

- 18 A Yes.
- 19 Q And did Naomi Laura get a bonus?
- 20 A I believe so.
- 21 Q Did Loletta Robertson get a bonus?
- 22 A Yes.
- 23 Q Did Monique Satisfield get a bonus?
- 24 A Yes.
- 25 Q Did Antoine Thompson get a bonus?

D. Bloom - Direct

501

- 1 A Yes.
- 2 Q Did Jean Joseph get a bonus?
- 3 A Yes.
- 4 Q And I'll say this wrong, but did Shaquilla (ph)
- 5 Simon get a bonus?
- 6 A Yes.
- 7 Q And Priscilla Bloom get a bonus?
- 8 A Yes.
- 9 Q And Nadiya (ph) Johnson got a bonus?
- 10 A Yes.
- 11 Q And Conrad Randall got a bonus.
- 12 A Yes.
- 13 Q And Miss Schurdak, even though she had the
- 14 records, didn't ask you about the other people that got
- 15 bonuses, did she?
- 16 A No, she didn't.
- 17 Q Now, she asked you some questions about your
- 18 son and what he did for the -- he was employed by the school
- 19 district -- by the charter school?
- 20 A Yes, we hire young children from the school
- 21 during the year. We still have them now.
- 22 Q And was he a part-time employee?
- 23 A Yeah, he did maintenance.

24 Q He did maintenance for the school and do you
25 recall what he was paid?

D. Bloom - Direct 502

1 A I think he was paid like 7-something an hour,
2 \$8.00 an hour, I'm not sure.

3 Q He was paid minimum wage?

4 A Yes.

5 Q And was his employment terminated?

6 A Yes, he was.

7 MS. SCHURDAK: Objection as to leading.

8 MR. ANDERS: If I objected to all your leading
9 questions --

10 MR. LITTS: Overruled. We have the answer.
11 The employment was terminated.

12 Q And why was the employment terminated?

13 A I fired him.

14 Q Why?

15 A He wasn't doing what he was supposed to do.

16 Q Now, yesterday you testified that you thought
17 it was Attorney Freund that had the conversation in the
18 meeting where the 10-90 was discussed.

19 A Yes. It was Kevin Reid.

20 Q And did you recognize that when you saw the
21 gentleman today?

22 A No, yesterday I found it in my paperwork.

23 Q Now, while we're on Attorney Freund, just to
24 refresh your recollection I'll show you the minutes from the
25 April 4th, 2007, meeting of the Board of Trustees on the

D. Bloom - Direct 503

1 charter school.

2 A Yes.

3 Q And did Attorney Freund attend that meeting?

4 A Yes, he did.

5 Q And were items -- you were questioned yesterday
6 about items that the school district purchased; the
7 basketball court floor, the bleachers.

8 A Yes.

9 Q And were they discussed at that meeting?

10 A Yes.

11 Q So, they were discussed openly in the presence
12 of the attorney for the school district.

13 A Yes, he was right there.

14 Q After that meeting did you receive any
15 correspondence -- did the charter school receive any
16 correspondence concerning the propriety of these
17 expenditures?

18 A No.

19 MS. SCHURDAK: May I see the date on that?

20 MR. ANDERS: April 4th, 2007.

21 Q Did you -- yesterday you testified that Mr.
22 O'Donnell, Robert O'Donnell, was solicitor or an attorney
23 for the school, the charter school.

24 A Yes.

25 Q And did he, in fact, bill the school and there
D. Bloom - Direct 504

1 was a retainer between he and the school?

2 A There was a retainer letter, yes.

3 Q And Ms. Schurdak pointed out that I asked some
4 questions about the signatures on the lease and the copies.
5 Do you recall that questioning?

6 A Not particularly.

7 Q She showed you the transcript and said I had a
8 different opinion than --

♀

9 A Oh, yes, correct.

10 Q -- than you about that? Now, the copies
11 here -- I'm looking at the master lease, Exhibit 13, Joint
12 exhibit 13, I believe, at Page 23. Tell me if I'm reading
13 this correctly. First it says, "If to Landlords, Shawnee
14 Tabernacle Church, 16 Carriage Square, Tobyhanna,
15 Pennsylvania, 18466." Is that what it says?

16 A Yes.

17 Q And then it says, "If to tenant, Pocono
18 Mountain Charter School, 16 Carriage Square, Tobyhanna,
19 Pennsylvania," and then under "If to tenant," it says "with
20 copy to" and who's the first name that appears there?

21 A Robert O'Donnell, Esquire.

22 Q So, despite what I may ask as questions there's
23 nothing in this lease or this paragraph that says he
24 represents the church.

25 A Correct.

D. Bloom - Direct

505

1 Q You were asked yesterday about your resume and
2 your background. Do you recall those questions?

3 A Yes, I do.

4 Q When you submitted the initial application for
5 the charter was that resume and that background included in
6 the application?

7 A Back in 2003, yes.

8 Q So, back in 2003 the school district was aware
9 of your qualifications to run the charter school?

10 A And my wife's, yes.

11 MS. SCHURDAK: And I'm going to note -- and I
12 know you'll overrule -- but my continuing objection to any
13 questions that pre-date '06 under (a) relevance and (b)

14 Judge Cheslock's May orders.

15 MR. LITTS: And your objection is noted. It is
16 overruled. Mr. Anders, you may continue your questioning.

17 Q So, I think what I started to say was back in
18 2003 the board or the school board was aware of the
19 qualifications of yourself and your wife and granted the
20 charter for the Pocono Mountain Charter School.

21 A Yes, they did.

22 Q And no one at that juncture said you weren't
23 qualified to be -- did anyone at that juncture say you were
24 not qualified to be the CEO of a charter school?

25 A Correct.

D. Bloom - Direct

506

1 Q Now, you were asked if you had a -- I think you
2 were asked if you had a Masters in Education and you
3 indicated you did not.

4 A Correct.

5 Q How is the charter school doing with its AYP?

6 A Well, the AYP is given out everytime you make
7 two years the PSSA is passed. We've gone on six years. We
8 have three AYPs at this point, we just got another one this
9 year, and we just won the Title 1 Distinguished Schools
10 Award from the State of Pennsylvania.

11 Q And how does that compare with the performance
12 of the Pocono Mountain School District as far as their AYP
13 performance?

14 MS. SCHURDAK: Objection. This is completely
15 irrelevant. We are here on revocation of the charter. The
16 charter school cannot, as much as it wants to, revoke the
17 status of the school district. If the school district is
18 found to be in distress there's a procedure in Harrisburg,
19 but the charter school does not have that power or authority

20 and it is completely irrelevant.

21 MR. ANDERS: It has -- absolutely is relevant
22 because if the charter school is performing at a level equal
23 to or above the school district that's a basis why the
24 charter shouldn't be revoked and what we're trying to do
25 here is say, "Oh, the school district can do whatever it

D. Bloom - Direct

507

1 wants and the charter school can't say anything about it,"
2 but if they're not performing and the charter school is
3 that's certainly relevant.

4 MR. LITTS: Counsel, are you both done?

5 MR. ANDERS: Yes.

6 MR. LITTS: Okay. I am going to allow
7 Mr. Anders to ask the question about whether or not Pastor
8 Bloom knows the AYP status of the school district. He may
9 or may not know. But -- hold up. But, you know, again,
10 I'll remind Counsel as I said at the outset of yesterday I
11 expect some degree of decorum and cordiality, so please take
12 a deep breath. I understand this is long and you've put a
13 lot of hours in, but let's keep the emotions in check here.

14 So, Mr. Anders, you can ask your question.

15 MS. SCHURDAK: Just note my continuing
16 objection for the record.

17 MR. LITTS: It's noted just like I've noted all
18 the Charter School's continuing objections.

19 A I believe that --

20 Q I guess the question Mr. Litts put to you is do
21 you know what the AYP status --

22 A I believe the -- and I may be a little off on
23 the particular years, but I think since 2002-2003, 2003-2004
24 they were in improvement status which I believe that means

25 they di dn' t pass AYP.

♀

D. Bloom - Di rect

508

1 In 2005 I think they went into -- 2006 they
2 went into corrective action, 2007-2008, Corrective Action
3 II, 2008-2009, Corrective Action II again, which means they
4 did not pass AYP.

5 Q What does Corrective Action II mean?

6 A That means -- there's four conditions that the
7 state would require you to do. One of the conditions is if
8 you are in Corrective Action II you should eliminate, I
9 guess, your administration staff; two, come into outside
10 public authority; three -- I forget what the third one is,
11 but, fourth, I believe you become a charter school.

12 Q And I hope this isn't repetitive, but the AYP,
13 does that show that the school is meeting -- the charter
14 school is meeting certain goals?

15 A Yes. AYP proves to the state or federal
16 government that you are doing what you're supposed to be
17 doing and your children are at level or better than they
18 should be.

19 Q And part -- that's part of your job, to see
20 that the school is doing a good job, right?

21 A My job is to get them to that level or better.

22 Q And that's what you get paid for.

23 A Oh, yes.

24 Q So, if that's the standard then you've earned
25 the money that you were paid for.

♀

D. Bloom - Di rect

509

1 A Oh, yes.

2 Q Now, I want to talk to you a little bit about
3 these letters that we had yesterday.

4 MS. SCHURDAK: Marshall, they're in the stack.
Page 53

5 Q You were asked some questions yesterday and
6 today about the letter or writing that you received from
7 Cookie Lanci a. Do you recall that?

8 A Yes.

9 Q Now, with regard to -- that information was
10 sent -- or was that information sent by Attorney Langsam in
11 response to the superintendent's correspondence under date
12 of April 10th, 2007, Exhibit 14?

13 A I believe it was.

14 Q Now, in the first paragraph is that an inquiry
15 about the lease and a validation of the rental amounts?

16 A Yes.

17 Q And let me read the last sentence of that
18 paragraph.

19 MS. SCHURDAK: Mr. Anders, I can't see the
20 witness. If you could stay to the left or the right,
21 please.

22 Q "In addition, the District requires that the
23 Charter School submit validation that the new lease amount,
24 if any, does not exceed fair market rates for the area."

25 A Correct.

‡

D. Bloom - Direct 510

1 Q Does that say anything -- does that say, "Send
2 us an appraisal."

3 A No, it doesn't.

4 Q And in response to that you provided -- or had
5 Mr. Langsam provide a letter that you had already received
6 from Cookie Lanci a.

7 A Yeah, because the church also wanted to know
8 they were in fair market value, too, so that's why they
9 requested one.

10 Q Now, you were here at the first hearing.

11 A Yes.

12 Q Do you recall Mr. Baxter testifying?

13 A Yes.

14 Q And do you recall him -- when I asked him
15 specifically about whether or not he did an appraisal he
16 denied up and down that he did an appraisal?

17 A Correct.

18 Q So, for purposes of your submitting information
19 to the school district it had to be an appraisal, but when
20 they came in here and testified about the appraisal that you
21 had they didn't bring an appraisal.

22 A Correct.

23 MS. SCHURDAK: Objection. It's argumentative.

24 MR. LITTS: The board can take note of the
25 previous testimony. Let's please move on.

D. Bloom - Direct

511

1 Q Again, if we look at the master lease that was
2 signed when?

3 A 7-9-2007.

4 Q And the letter from Ms. Lancia is dated what?

5 A June of -- 4th, '07.

6 Q So, as far as the market value of the rent --

7 A Correct.

8 Q -- the parties had Ms. Lancia's determination
9 before the lease was entered into.

10 A Correct.

11 Q When the charter school in its first or initial
12 application was the school board aware that the charter
13 school shared space with the church?

14 A Yes.

15 Q I'm going to show you the first charter that
Page 55

16 was issued. How many conditions were there on that charter?

17 MS. SCHURDAK: And before the Pastor answers,
18 again, my continuing objection --

19 MR. LITTS: Objection -- your objection is
20 noted. You don't have to repeat it again. It's a standing
21 objection throughout the proceedings. And I believe
22 Mr. Anders' question is looking at the original charter for
23 Pocono Mountain Charter School how many conditions did it
24 obtain?

25 A Twelve.

D. Bloom - Direct

512

1 Q There's 12 conditions?

2 A Right, 12.

3 Q How many conditions were there on the renewal
4 charter?

5 A I think there were like 67 or 62, I'm not sure.

6 Q Well, let's be sure so let's go to Joint
7 Exhibit -- I think it's No. 5.

8 MS. SCHURDAK: Marshall, I'll stipulate there's
9 approximately 63. There is a misnumbering in there. We can
10 round it off if that will help.

11 A 63 conditions.

12 Q Now, you were asked about the Middle States
13 accreditation?

14 A Yes.

15 Q And the charter school did make application for
16 that?

17 A Yes.

18 MS. SCHURDAK: Marshall, are you offering this
19 into evidence?

20 MR. ANDERS: When he returns I will offer it

21 into evidence.

22 Q Are you familiar with the Evergreen Community
23 Charter School charter?

24 A Yes, I am.

25 Q Is that charter school required to get Middle
D. Bloom - Direct 513
1 States accreditation?

2 A No, they're not.

3 Q You told me there were 63 conditions on the
4 Pocono Mountain Charter School?

5 A Yes.

6 Q Are there 34 conditions on the Evergreen
7 Community --

8 MS. SCHURDAK: I'm going to.

9 A Yes, there are 34.

10 MS. SCHURDAK: I'm going to object to, first of
11 all, the question as to Evergreen. If there's going to be a
12 revocation hearing for Evergreen that's a separate
13 proceeding and really not relevant, I mean, to the -- here
14 today on whether or not this charter should be revoked.

15 Secondly, I hadn't been objecting that some
16 of these questions had been outside the scope of my
17 questioning because I thought -- for the ease of only having
18 this witness appear once, don't make the objection.
19 However, I understand that Pastor Bloom is going to reappear
20 at a different time to offer further testimony and if that
21 is the case then this is completely improper.

22 MR. ANDERS: Well, my questions are all based
23 on my notes about what she asked him on direct and I think
24 just about every series of questions I've led into that or,
25 for example, the last one I started asking about the Middle

1 States accreditation. She asked him about that this
2 morning.

3 MR. LITTS: And I've allowed you to do that.
4 I'm not aware of anything on Evergreen, but you did ask
5 whether or not Pastor Bloom knew whether Evergreen was
6 required to obtain such accreditation and that question was
7 asked and answered. So, I will caution both counsel --
8 again, the understanding that was reached off the record was
9 that Pastor Bloom was going to potentially testify in the
10 case in chief for the charter school and that we would limit
11 any cross examination by Charter School counsel to the scope
12 of the direct. So, just keep that in mind, Mr. Anders.
13 Thank you.

14 Q Now, you were asked yesterday or you were read
15 from some document, I think it was the lease, where the
16 charter school was responsible for the construction of
17 various buildings. Do you recall being asked that question?

18 A Yes.

19 Q Who paid for the construction of all these
20 facilities?

21 A The church.

22 Q And did the church -- how did the church obtain
23 the money to pay for these facilities?

24 A Took out a 3.9 million dollar mortgage.

25 Q And I think that you at least started to

D. Bloom - Direct

515

1 explain yesterday why the charter school didn't go out and
2 do it itself.

3 A The charter school can't because of the five
4 years that they have. They don't have, like, an unlimited
5 amount of time like bond issues like when schools build a

6 school, let's say, for our size, let's say Clearwater.
7 Their schools, they can take out a 100 million dollar bond
8 and obtain a mortgage, but with charter schools because of
9 the limitation no -- Congress is trying to bring it to 10
10 years to make it a little more easier for charter schools to
11 build brick and mortar. At this point in time they don't
12 have the credit background so no bank will give them money
13 or it's very difficult to get money. So, they couldn't do
14 what they wanted to do financially. They could ask the
15 church board if they can do it and then, in turn, lease the
16 property.

17 Q Now, if we could get back to Exhibit 14, how
18 many items are listed in that letter?

19 A Ten.

20 Q And I'm going to show you Joint Exhibit No. 1,
21 which is the Notice of Revocation. How many items are
22 listed in that notice?

23 A Twenty-seven.

24 Q And does that notice contain any language that
25 says that the school district has 60 days to take -- the

D. Bloom - Direct

516

1 charter school has 60 days to take corrective action?

2 A No.

3 Q Now, at the time of the renewal application
4 did the school board or school district require a copy of
5 the existing lease to be submitted?

6 A Yes.

7 Q And was any comment made at that point in time
8 about the rental charges?

9 A Upon the meetings that we had with Reid and
10 them they discussed everything and they just wanted to make
11 one point, that when you do have it it will be fair market

12 value and that it would be approved by the Pocono Mountain
13 Charter School school board.

14 Q And was the lease approved by the Pocono
15 Mountain Charter School board?

16 A Yes.

17 Q And did, in fact, the representatives of the
18 board sign that lease?

19 A Yes, they did.

20 Q And when we -- the lease was submitted as part
21 of the renewal application. Did anybody say, "We're not
22 going to renew the application because the rent's too high."

23 A No, not at all.

24 Q Now, with regard to Exhibit No. 1, Joint
25 Exhibit No. 1, if you would take a look through that. Are

D. Bloom - Direct 517

1 any of the 27 bases for revocation -- is it -- anywhere in
2 there does it state that one of the bases for revocation is
3 failure to provide information in response to a certain
4 letter or letters?

5 A No.

6 Q Now, Mr. Langsam did write to the
7 superintendent and if -- I'll read the first sentence and
8 tell me if I'm reading it correctly.

9 MR. LITTS: First sentence of what?

10 MR. ANDERS: Of his letter under date of
11 June 8, 2007.

12 MR. LITTS: Thank you.

13 Q "The Pocono Mountain Charter School (sometimes
14 School) has asked me to assist in the response to your
15 inquiry letter of April 10, 2007." Did I read that
16 correctly?

17 A Yes.

18 Q Does that letter state that he's the sole
19 source of information?

20 A No.

21 Q In addition to Mr. Langsam's reply did the
22 charter school itself or its other representatives,
23 employees, supply information to the district in response
24 to Exhibit 14?

25 A Yes.

D. Bloom - Direct

518

1 Q Getting back to these letters again, I asked
2 you about the letter of April 10th, School District 14, and
3 I asked you to read the last sentence and you told me -- you
4 read it and that doesn't use the word appraisal, does it?

5 A Correct.

6 Q And, in fact, appraisal is first used in
7 Mr. Freund's letter which is Exhibit 23, School District
8 Exhibit 23. Is that the first time appraisal was used?

9 A Yes.

10 Q Did -- is there anywhere in Exhibit 23 where
11 Mr. Freund says -- asks any questions about Ms. Lanci'a's
12 qualifications or whether she was qualified to produce the
13 information?

14 A No.

15 Q Getting back to your credentials, if you look
16 at Exhibit -- Joint Exhibit No. 1, there is nothing in that
17 Notice of Revocation that says one of the reasons for --
18 or is there anything in there that states that one of
19 reasons for revocation is the fact that you're not qualified
20 to run the charter school?

21 A Correct, there is nothing in there that says
22 that.

23 MR. ANDERS: Mr. Litts, it will probably be
24 helpful if we took a break now so I can try to figure out
25 what I wrote.

D. Bloom - Direct 519

1 MR. LITTS: I understand, Mr. Anders. Let's
2 try to be back at quarter after 1:00, so I'll give you a
3 little extra time.

4 I do want to note for the record I have spoken
5 to a couple of the board members and they do have questions.
6 So, after the completion of your questioning, Mr. Anders,
7 we'll take a brief recess so I can sort of gather questions
8 from the board.

9 MR. ANDERS: And then Ms. Schurdak and I will
10 be able to follow up those questions?

11 MR. LITTS: Yes.

12 (Recess from 12:23 p.m. to 1:25 p.m.)

13 MR. LITTS: We have returned from the lunch
14 break and we're back on the record and, Mr. Anders, you may
15 continue with your questioning.

16 Q Pastor, you were asked some questions yesterday
17 and today about dates and you couldn't remember those dates.

18 A Right.

19 Q And they were about meetings and things like
20 that.

21 A Right. Yes.

22 Q When you had those meetings or conferences with
23 people did you think that at some point in time you would be
24 asked to testify about them?

25 A No.

D. Bloom - Direct 520

1 Q Now, Exhibit 21, School District Exhibit 21,

2 has to do with the Tobyhanna ...?

3 A Yes, it does.

4 Q Who does that entity, for lack of a better
5 word, do?

6 A After-school program on Fridays for the
7 communi ty.

8 Q And that's it?

9 A Yes.

10 Q And how long does that after-school program
11 last on Fri days?

12 A About two hours.

13 Q And that's the sole function.

14 A So far, yes.

15 Q Now, we talked a little bit earlier about the
16 bonus that these individuals received who were working for
17 the charter school.

18 A Correct.

19 Q One was your daughter. Who recommended that
20 those individuals receive the bonus?

21 A I think it was the principal.

22 Q Now, you were questioned yesterday about
23 payroll records, specifically about a payment on July 11th,
24 and on the sheet you were questioned -- the sheet doesn't
25 say it was a bonus. What was that payment for?

D. Bloom - Direct

521

1 A Vacati on, si ck, and personal days we di dn' t
2 take.

3 Q You received that payment.

4 A The pri nci pal di d, mysel f, and Mrs. Bl oom di d.

5 Q So, it wasn't just you and your wife that
6 received it, the principal also received payment for unused
7 sick days, vacati on days, and personal days.

8 A Yes.

9 Q Now, there's some financial reports that have
10 been introduced into evidence for the year ending June 30th,
11 2007, and for the year ending June 30th, 2008, and they
12 were -- were they prepared by Parente and Randolph?

13 A Yes.

14 Q And is that an independent certified public
15 accounting firm?

16 A Yes.

17 Q Anywhere in those reports is there any
18 criticism of the salary that you receive?

19 A No.

20 Q Any criticism of the salary that your wife
21 receives?

22 A No.

23 Q Now, you were asked quite a few questions about
24 your employment agreement and do you recall who prepared
25 this?

♀

D. Bloom - Direct

522

1 A I think it was put together by the principal
2 and I forget who else, kind of drew it up, and then it was
3 approved by the board.

4 Q Could you tell us what you do?

5 A Everything from oversee the administration to
6 wiping down floors. I have like a million jobs. There's
7 security supervisor, custodial supervisor, I handle
8 contracts, like they say, leases, I do tutoring for the
9 kids, I'll drive the buses on trips if I have to, I handle
10 liaison between boards.

11 Q Is your job as CEO a hands-on job?

12 A Oh, yeah, every day.

13 Q And getting back to this financial report I
14 asked you about, why did you choose or why did the charter
15 school, excuse me, not you, choose Parente and Randolph?

16 A No. 1, Parente and Randolph, I believe, is the
17 school district's accountants or CPA that they use and we
18 use it, too, figured the best is the best. I think they're
19 No. 17 in the country.

20 Q Now, you were asked some questions about
21 Exhibit 17, School District Exhibit 17, and you're, it says
22 here, Communication Director of Public Relations. Were you
23 shown that?

24 A Yes.

25 Q And then I think you were asked some questions

D. Bloom - Direct 523

1 about the contents of School District 8 [sic]. Did you
2 prepare any of the materials that are in that bag?

3 A No.

4 Q Did you direct anyone to hand out those
5 materials?

6 A No.

7 Q Do you know if what's in Exhibit -- 28 was,
8 in fact, what was supposed to be handed out at the time of
9 the election?

10 A No.

11 Q You were also asked some questions about your
12 wife's employment contract.

13 A Yes.

14 Q Could you describe for us what her duties were?

15 A She's assistant to the CEO, she assists in all
16 duties -- some of the duties I do. She is also --
17 originally she was handling the busing and transportation.
18 She was also supervising the cafeteria. She was also

19 working in the cafeteria. She was also supervisor of the
20 maintenance department, I believe, and she was also acting
21 guidance counselor for the children. She's the attendance
22 coordinator and technology person. And she was writing a
23 grant for us at one point.

24 Q Does she also have the responsibility on
25 occasion of meeting with parents?

D. Bloom - Direct

524

1 A Yes, she's intervention with the parents and
2 the students.

3 Q Now, one of the exhibits that you were asked
4 questions about was the invoice, appears to be an invoice,
5 School District Exhibit 29, and is that Otis Elevator?

6 A Yes.

7 Q Does the church make use of that elevator?

8 A No.

9 Q Another thing that you were asked about is the
10 paving of the parking area.

11 A Yes.

12 Q I'll show you School District 20. It says at
13 the top Bid Proposal. Would you read what it says under
14 that?

15 A Excavation top teacher parking lot new
16 addition. F&F Paving, \$616,186.55 for their bid; Locust
17 Ridge, \$596,615.90 for their bid; and Northeast \$348,679.15
18 for their bid.

19 Q And Northeast was awarded the contract?

20 A Yes.

21 Q And that's because they were the lowest bidder?

22 A Correct.

23 Q And that parking lot, it says, was for the

24 teachers?

25 A Yes.

D. Bloom - Direct

525

1 Q Does the church have any use for that parking
2 lot or simply for the school?

3 A For the school.

4 Q Another improvement that you were asked about
5 was the sign.

6 A Yes.

7 Q And where is that sign located?

8 A On 196 right outside the fence of the property.

9 Q Is that located on church property?

10 A Yes.

11 Q Is the sign during school hours advertise the
12 Pocono charter school?

13 A Yes.

14 Q And does the charter school pay any rent for
15 that?

16 A No.

17 Q And what was the arrangement that was worked
18 out?

19 A It was worked out with the board that if we can
20 put any advertisements on there for the church after -- as
21 far as the board -- the church board wanted the school board
22 to be able to put out time for Sunday service or what have
23 you if they didn't mind and in lieu of that there would be
24 no lease fees at all.

25 Q Now, you were asked about some employment

D. Bloom - Direct

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1 contracts and I think the questions were about whether these
2 individuals received equal pay for the same job and I'm
3 going to show you School District Exhibit 31, which is the

♀

♀

4 employment contract for Tami ka Wade-Burns.

5 A Yes.

6 Q And School District Exhibit 32, which is the
7 employment contract for Evelyn Palomino?

8 A Yes.

9 Q Now, first of all, was one of those individuals
10 with the school district longer than the other?

11 A Yes, Tami ka Wade-Burns.

12 Q And how long at the time this temporary
13 agreement was signed had she been with the school district?

14 A About --

15 MS. SCHURDAK: I'm going to object because
16 she's not working for the school district, she's working for
17 the charter school.

18 Q Yes.

19 A She's been with Pocono Mountain Charter School,
20 I think, three or four years.

21 Q And what about the other lady?

22 A She was new. She was really a fill-in, per
23 di em.

24 Q And did they perform the same duties?

25 A No. Tami ka Wade, she's also a teacher's aide,

D. Bloom - Direct 527

1 so she works with the teacher and children, and then she'll
2 go into the cafeteria in the afternoon.

3 Q Is that why they received a difference in
4 compensation?

5 A Yes. Aides got \$80.00 a day at the time.

6 Q Another employee that you were asked about was
7 Olivia Thorne and I'll show you School District Exhibit 33.

8 A Yes.

- 9 Q Is that her contract?
- 10 A Yes, the first one, yes.
- 11 Q Now, how many days -- when she was earning
12 \$21,000.00 how many days a week did she work for the charter
13 school?
- 14 A She worked sometimes two, sometimes three when
15 she first came in.
- 16 Q And in addition to the \$21,000.00 did she have
17 any other benefits?
- 18 A I don't -- I can't recall that, but I know that
19 she was retired from New York City and that's what she asked
20 for for those two days.
- 21 Q Do you know if she received health insurance?
- 22 A I don't know. I think she may have had hers,
23 but what happened with her, she turned in to be -- she liked
24 the job and she wanted to stay, so then she's now making --
25 for the same two, three days I think she's making 70,000.

♀

D. Bloom - Direct

528

- 1 Q And you said she was from New York City?
- 2 A Yes, she was a district superintendent or she
3 was running schools in New York.
- 4 Q So, she was qualified?
- 5 A Oh, yes, very qualified.
- 6 Q In order for -- when her -- she got started
7 making \$70,000.00 did her duties and responsibilities
8 change?
- 9 A Yes, very much so. Well, she definitely is
10 an expert on Special Ed. and she's also a teacher's teacher,
11 so she was doing some of my wife's duties and then she was
12 doing -- overseeing the Special Ed. department. She was
13 also instructing the teachers on how to, you know, be better
14 in the classrooms, she's directing instructional materials,

15 et cetera.

16 Q Speaking of your wife, is she still employed by
17 the charter school?

18 A No.

19 Q And why not?

20 A Because now we've hired like seven, eight
21 people that can do what she was doing herself all those
22 years and we didn't need her position anymore.

23 Q Collectively do those seven or eight people
24 earn what was being paid to your wife?

25 A Yeah. We're paying about 200,000 now.

D. Bloom - Direct

529

1 Q And what was your wife getting again?

2 A Seventy.

3 Q Now, you were asked some questions about ethics
4 forms and when does the charter school receive the form to
5 be completed?

6 A First of the year.

7 Q And you were asked some questions about people
8 that didn't complete ethics forms, were they on the school
9 board in 2007 and in 2008 they didn't file the ethics forms?

10 A Yes.

11 Q Can you tell me how the school district -- or
12 the charter school could obtain a completed ethics form if a
13 trustee left the board in the middle of 2007? How could the
14 charter school get that person to execute the form in 2008?

15 A You wouldn't be able to.

16 Q Is the charter school responsible for
17 completing the ethics form or are the individuals who hold
18 the office responsible?

19 A Individuals.

20 Q Now, you were asked some questions about Brian
21 Wi not?

22 A Yes.

23 Q When did he become a member of the Board of
24 Trustees?

25 A Good question. I'm not too familiar. I don't

D. Bloom - Direct 530

1 know if it was this year. I believe it was this year, if
2 I'm not mistaken.

3 Q For purposes of refreshing your recollection
4 I'll show you a meeting date -- minutes of a meeting of the
5 Board of Trustees dated June 4th, 2008, and I would direct
6 your attention to the approval of new members.

7 A Okay. Yes, it's June 4th, 2008.

8 Q Who were appointed new members at that time?

9 A The president -- oh, Maureen Randolph, Kevin
10 Satisfield, Brian Wi not, Eugene Van Horn.

11 Q And does that refresh your recollection?

12 A Yes.

13 Q And in June of 2008 did the school district --
14 strike that. Did the charter school owe Mr. Wi not any
15 money?

16 A No.

17 Q Did Mr. Wi not perform any duties or render any
18 services for the school district after he became a member of
19 the Board of Trustees?

20 A No.

21 Q The charter school.

22 A Charter school.

23 MR. ANDERS: That's all I have. It was quicker
24 than I thought.

25 MR. LITTS: Miss Schurdak, do you have any

1 questions as a result of --

2 MS. SCHURDAK: I do.

3 MR. LITTS: Why don't we do that and, just for
4 purposes of making sure we're all on the same page, Ms.
5 Schurdak, we'll let her do her redirect and then I'll caucus
6 with the board to see what, if any --

7 MR. ANDERS: Recross?

8 MR. LITTS: And recross on that. Thank you,
9 Mr. Anders. And then I'm going to caucus with the board to
10 see what questions they would like to ask and based on those
11 questions you'll both have the opportunity for any
12 follow-up.

13 - - -

14 RE-CROSS EXAMINATION BY MS. SCHURDAK:

15 Q Mr. Anders had shown you, Pastor Bloom,
16 minutes from April 4th, 2007, and I'm going to show you
17 these minutes to help refresh your recollection.

18 MS. SCHURDAK: They are a copy of what you
19 showed me, Marshall, on your line of questioning.

20 MR. LITTS: Are these charter school board
21 meetings?

22 MS. SCHURDAK: Charter school.

23 Q April 4th, 2007. Now, it states that
24 Mr. Freund was present during the board meeting. Mr. Freund
25 would not have the ability to vote at the charter school

1 board meeting since he's not a member of the board. Am I
2 not correct?

3 A He doesn't have a voting right, no. He does
4 speak --

5 Q In fact, Mr. Freund's attendance is noted
6 because he made some sort of a public comment during the
7 meeting.

8 A No, his attendance was also noted because he
9 said he was representing Pocono Mountain School District at
10 the meeting.

11 Q But the minutes do not reflect what Mr. Freund
12 said during that public comment -- meeting.

13 A No.

14 Q No?

15 A No.

16 Q You disagree or, yes, you agree there is
17 nothing in the minutes to reflect what Mr. Freund said?

18 A Correct.

19 Q I'm correct.

20 A Because he didn't say anything.

21 Q You don't know the exact makeup of Pocono
22 Mountain School District's Board of Directors during the
23 year 2003, do you?

24 A Yeah. The president was an orthodontist or a
25 dentist.

♀

D. Bloom - Recross

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1 Q School district, sir.

2 A 2003.

3 Q Mm-hmm.

4 A I believe it was a dentist. The president was.
5 John Davis was on the board.

6 Q And certainly the board in 2003 was not the
7 same board that existed at the time of the renewal of the
8 charter in 2006.

9 A I believe many of the people were.

10 Q But not everyone was identical.

11 A Well, people pass on.

12 Q Exactly. And, likewise, since 2006 the board
13 has also changed. And that's the school district board I'm
14 referring to.

15 A Not to my knowledge.

16 Q Now, Mr. Anders was asking you about Cookie's
17 one page facsimile to you that's contained within SD-15 and
18 I'd ask that you refer back to SD-15 which is the packet all
19 the way on the right of the table.

20 A I remember.

21 Q And the date of Miss -- of Cookie's fax to you
22 at the church is June 4th, 2007. Did I read that correctly?

23 MR. LITTS: I believe it's under Exhibit 2 in
24 that packet.

25 A Thank you.

D. Bloom - Recross

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1 MR. LITTS: You're welcome.

2 Q That was June.

3 A Yes, I have it.

4 Q That was June of '07.

5 A Yes.

6 Q And then if you go to the binder and refer to
7 School District -- well, I'll ask Mr. Litts for his
8 assistance -- School District 2. I'm not sure what tab that
9 would be in the binder.

10 MR. LITTS: School District Exhibit No. 2 would
11 be under Tab 14 in the binder referring to the second
12 amended lease.

13 MS. SCHURDAK: Correct, and I'll also have the
14 witness refer to School District 3 which, I assume, will be
15 the next tab number.

16 MR. LITTS: Yes. It's Tab 15.

17 Q Now, Cookie's June facsimile letter to you is
18 transmitted after the charter school entered into a lease
19 agreement with the church on July 26 of 2006. Am I correct?

20 A Say that again.

21 Q Cookie's letter, the one page handwritten note,
22 her opinion as to the fair market rental value of June of
23 '07, was obtained by the church after the church signed the
24 lease agreement with the school in July of 2006. Yes or no?

25 A Yes.

D. Bloom - Recross

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1 Q And, likewise, sir, Cookie's handwritten
2 opinion letter to the church opining as to value, as to fair
3 market rental value, was obtained by the church after it had
4 entered into a lease agreement with the school in
5 February -- I'm sorry, the ground lease agreement in
6 February of 2007.

7 A They didn't need it before then.

8 Q I'm sorry, are you agreeing with me? Yes or
9 no?

10 A Yes, but they didn't need it before.

11 Q And prior to Cookie's one page transmittal to
12 the church, the school, that being the charter school,
13 didn't have anything in its files to indicate what a fair
14 market rental value should be for the space being leased by
15 the school from the church. Am I correct?

16 A I can't answer that question. The attorneys
17 for the school and our board -- there's a real estate
18 attorney and he knew exactly what property goes for, so I'm
19 sure he negotiated the right price.

20 Q Mr. Anders also asked you some questions
21 regarding PSSAs and results. Now, when you make a

22 comparison for the number of students who scored Proficient
 23 or Advanced Proficient on the PSSAs between -- and make that
 24 comparison between the charter school and the school
 25 district what does that data tell you?

D. Bloom - Recross

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1 A I'm not an expert to -- qualified to answer.

2 Q So, you don't know the answer to that.

3 A Correct.

4 Q Mr. Anders also asked you about the resolution
 5 passed by the board of directors in May of 2008. The
 6 charter school has had more than 60 days to provide
 7 documentation to the school district as to whether or not
 8 it has corrected the alleged deficiencies in the notice,
 9 hasn't it?

10 A No.

11 Q It hasn't had more than 60 days?

12 A No.

13 Q It's your testimony, sir, that May of 2008 to
 14 November of 2009 is less than 60 days?

15 A May of two thousand what?

16 Q Eight.

17 A To when?

18 Q Today.

19 MR. FENNICK: We'll stipulate that the calendar
 20 says what the calendar says.

21 A Yes.

22 Q You'd agree with me that the charter school has
 23 had more than 60 days to prepare --

24 A No.

25 Q You would not.

D. Bloom - Recross

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1 A No.

2 Q You referenced when Mr. Anders was asking you
3 questions that you had a meeting with Mr. Reid and others.

4 A Yes.

5 Q Who are the others in attendance at the
6 meeting?

7 A Principal John Severs; Bob O'Donnell from
8 Philadelphia; Henry Langsam, another attorney from
9 Philadelphia. Bob O'Donnell was the Speaker of the House
10 for Pennsylvania and he wrote the Charter School Law, so he
11 was the school's attorney. Henry Langsam was one of his
12 comrades, I guess.

13 Q I'm asking you who attended, sir --

14 A Henry Langsam.

15 Q -- not their background.

16 A Bob O'Donnell, an attorney; Reid, Kevin Reid;
17 Jeff Snyder, the other president for the board, and
18 Superintendent Pfennig, and I believe, I believe, I'm not
19 sure, but I believe the attorney that was here was there,
20 but I don't remember him.

21 Q And were you there.

22 A I was there.

23 Q And you seem to remember this meeting with some
24 degree of specificity.

25 A Oh, I remember it like yesterday.

D. Bloom - Recross

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1 Q What was the date of the meeting?

2 A I don't remember the exact date. It was prior
3 to the -- it was prior to the renewal of the charter.

4 Q In answering Mr. Anders' questions you stated
5 something to the effect that other documents besides those
6 contained as exhibits in 15 -- School District 15 were

7 supplied.

8 A Yes.

9 Q What additional documents were supplied to the
10 school district?

11 A Whatever was requested.

12 Q Well, what was requested? And we'll go back to
13 the April 10th letter. Let's go through that.

14 MS. SCHURDAK: Because of the questions posed
15 by Mr. Anders, Mr. Fennick.

16 MR. FENNICK: It says what it says. You're
17 going back to it isn't going to change the words.

18 MS. SCHURDAK: Well --

19 MR. FENNICK: And ... this is such an
20 incredible waste of time.

21 MS. SCHURDAK: Your co-counsel asked the
22 question.

23 Q SD-14.

24 MR. FENNICK: Perhaps it would help if we
25 advised you that when we present evidence we will be

D. Bloom - Recross 539

1 bringing people to testify as to what records were sent to
2 the school district and -- who have specific knowledge of
3 doing it.

4 MR. LITTS: Well, let me --

5 MS. SCHURDAK: I guess my other concern is that
6 this has not been produced in discovery.

7 MR. LITTS: Hold up. Hold up. Mr. Anders,
8 no need to stand up here.

9 A Thank you.

10 MR. LITTS: Look, we've had a lot of discussion
11 on District-produced exhibits as to what was received. I've

12 heard testimony from Pastor Bloom that there was additional
13 materials or information shared. There isn't any documenta-
14 tion that's been presented to the board at this time to
15 support that testimony because we're in the school
16 district's case. I strongly assume that the board would
17 like the opportunity to receive that information and I will
18 again encourage Counsel to share that type of documentation.

19 So, with that in mind let's just be careful.
20 If there's a question of Pastor Bloom as to does he have
21 knowledge that there was additional information sent and you
22 want to ask "To the best of your knowledge what is that
23 information --"

24 MS. SCHURDAK: That's what I'm trying to get
25 at.

D. Bloom - Recross

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1 MR. LITTS: I think that's fair and he can
2 testify as to the best of his recollection what was shared,
3 but let's try to keep some civility here, folks. Thank you.

4 Q That's the question, as Mr. Litts just phrased
5 it.

6 A The question.

7 MR. LITTS: I think the question was, if I
8 heard your testimony correctly, sir, that in addition to
9 Attorney Langsam's letter, a number of documents attached to
10 it, you said additional information was sent to the school
11 district and I guess the question is who sent information
12 from the charter school, what was sent --

13 Q And when.

14 A For me to sit here and actually tell you every
15 piece of paper and what was sent, it's impossible. We have
16 been dealing with this for almost three years and they have
17 over 15,000 documents sent to them in addition to what other

18 documents. So, I can't recollect all those documents.

19 Q Mr. Anders had shown you the first charter that
20 you had with Pocono Mountain School District. Do you
21 remember that? Before lunch.

22 A Okay.

23 Q Do you remember it? Not okay.

24 A I have to review it. I'll review it if you
25 give me another question.

D. Bloom - Recross

541

1 Q I'll use Mr. Anders' copy.

2 MS. SCHURDAK: I want to use your Evergreen
3 and

4 Q Pastor Bloom, in the original charter there are
5 approximately nine conditions within that charter.

6 A Yes.

7 Q And Evergreen's initial charter with the school
8 district has over 30 conditions, doesn't it?

9 A Very standard.

10 Q That's not the question. Evergreen's first
11 charter with the school district has over 30 conditions,
12 doesn't it?

13 A 30 standard conditions, you're right.

14 Q Are you aware, Pastor Bloom, that Evergreen
15 charter school had already begun the process of becoming
16 accredited when it applied -- when it was in the process of
17 applying for its charter with Pocono Mountain School
18 District?

19 A Not to my knowledge.

20 Q Did you attend the hearings?

21 A I haven't even gone to the building. I don't
22 know.

23 Q Now, Pastor Bloom, you were also -- testified
24 that in your original charter application your resume was
25 different than the resume that was attached by your attorney

D. Bloom - Recross

542

1 in SD-15. Do you remember testifying to that fact?

2 A Negative.

3 Q That's not correct.

4 A Not to my knowledge.

5 Q Then I need some clarification. In SD-15,
6 yesterday you said that's not a correct resume for you.

7 A No, I said that's not an updated resume.

8 Q It's not an updated resume. And with respect
9 to your testimony this morning the resume that you provided
10 to the charter school during the initial process is the same
11 in substance as what was provided by your attorney in SD-15.

12 A I would have to look at both of them.

13 Q Well, no. Mr. Anders was asking you questions
14 about that this morning and I believe your testimony was
15 that in your application for the charter in 2003 a different
16 substantive resume was provided.

17 A No, I didn't say that, you said that.

18 Q Well, sir, I'll show you -- the record will
19 speak for itself when it's transcribed. Do you recognize --
20 it's three pages, 17, 18, and 19. Do you recognize this,
21 sir?

22 A Yes.

23 Q And what is it?

24 A This is a description of -- description of the
25 founding management teams. Not resumes, descriptions of

D. Bloom - Recross

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1 some of the things in there.

2 Q And this is -- and it's a portion, but Pages 17
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♀

♀

3 and 18 speak to your background.

4 A Yes.

5 Q And that was part of the charter school's
6 original charter application back in 2003.

7 A Correct.

8 Q And your description -- the description of your
9 background --

10 A Hasn't changed.

11 Q Hasn't changed as to what was in --

12 A Correct.

13 Q Okay. Mr. Anders was also asking you
14 questions, I think, after lunch as -- with respect to School
15 District Exhibit No. -- Nos., excuse me, 24 and 25. Do you
16 have those in front of you? That's the end-of-year audit
17 statements.

18 A Okay.

19 Q Have you located them?

20 A I have one. Yes.

21 Q Let's deal with 24 first. Now, the independent
22 auditor hired by the charter school was hired to audit the
23 financial statement of the governmental activities of the
24 charter school, wasn't it?

25 A Correct.

♀

D. Bloom - Recross

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1 Q It was also hired to audit the business-type
2 activity of the charter school.

3 A Correct.

4 Q It was also hired to audit the major fund and
5 the aggregate remaining fund information of the Pocono
6 Mountain Charter School for end of year of 2007. Correct?

7 A Yes. It was an audit.

8 Q It was not hired -- strike that. The report
9 does not indicate that it was hired to render an opinion as
10 to the appropriateness or inappropriateness of management
11 salaries. Am I correct?

12 A It was hired to render an opinion about
13 anything that may be off.

14 Q The question --

15 A For the school.

16 Q There's nothing in the report to indicate that
17 the -- Parente-Randolph was hired to evaluate the
18 appropriateness of management salaries. And take your time
19 and review the report.

20 A The question was now -- say it again.

21 Q There's nothing within the report identified as
22 School District 24 that indicates that the auditing entity
23 was hired to evaluate the appropriateness or inappropriate-
24 ness of the management salaries at the charter school. Am I
25 not correct?

♀

D. Bloom - Recross

545

1 A The report is clear and stands on its own
2 merit. Even the -- the second page clearly tells you why
3 they were hired.

4 Q Okay. And the second page doesn't state that
5 it was hired to evaluate the appropriateness of management
6 salaries. And please just answer yes or no.

7 A The report is an end report of what it was
8 requested for them to look over and give us an opinion.

9 Q Yes or no? Does the report indicate that the
10 auditor was hired to perform an evaluation on the
11 appropriateness of management salaries? Yes or no, sir.

12 A This report? A technical way of wording is --
13 the wording is a full audit, any financial responsibilities

14 or miscalculations, and there was nothing to report that
15 anything was inadequate.

16 Q Where in the report does it state that it's
17 been hired to comment on the appropriateness or
18 inappropriateness of management salaries?

19 A Second page. Right here. Oh. Salaries, no
20 just of management, total financial statements, management,
21 overall financial presentation.

22 Q So, you would agree with me that there's
23 nothing in the report to indicate that Parente-Randolph was
24 hired to evaluate the appropriateness of management salaries
25 for the 2007.

†

D. Bloom - Recross

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1 A Not in the report.

2 Q Correct. That's the point I'm trying to make,
3 sir.

4 Same question with respect to the independent
5 auditor's report ending June 30th, 2008, and that's School
6 District 25. There is nothing in the report that says that
7 the auditor is hired to evaluate the appropriateness or
8 inappropriateness of management salaries.

9 A It wouldn't be in that report, no.

10 Q Mr. Anders also asked you about a number of
11 your job duties and I think he had you also look at your
12 employment contract which should be in front of you marked
13 as SD-16 -- I'm sorry, SD-17, and he also asked you about
14 your wife's job duties which would be marked as SD-16 and I
15 ask that you pull those documents from the pile.

16 A Okay.

17 Q The job duties with respect to how you answered
18 Mr. Anders' questions are not contained within your employ-

19 ment agreement that's been marked as Exhibit SD-17. Am I
20 correct?

21 A Which job duties?

22 Q What you advised Mr. Anders what your job
23 duties are.

24 A Oh, they have increased tremendously since
25 then. This is an old copy.

♀

D. Bloom - Recross

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1 Q You have an updated employment agreement?

2 A No, but I have an updated job description.

3 Q You just said to me "This is an old copy --"

4 A Yes.

5 Q -- which indicates to me --

6 A This is a couple years ago.

7 Q -- which indicates this is an updated copy.

8 A That indicates to you, but that's not what it
9 is.

10 Q So, this is still in full force and effect.

11 A Part of those duties, yes. Much more duties
12 were added onto it.

13 Q And have those duties been reduced to writing?

14 A No, they've just been reduced to doing.

15 Q And you don't disagree with me that both of
16 the contracts -- strike that because it's a compounded
17 question. You don't disagree with me that your personal
18 employment contract with the charter school does provide for
19 the ability of receiving a bonus.

20 A Yes, but when --

21 Q Thank you. You answered the question --

22 A I'm not in position for that.

23 Q Your wife, her employment contract also
24 provides for the ability of a bonus to be awarded.

25 A Yeah, one day we'll get it.

D. Bloom - Recross

548

1 Q Thank you. Mr. Anders also asked you about
2 the Otis Elevator invoice that has been marked and entered
3 into evidence as an exhibit and I believe that's SD-29.

4 A Yes.

5 Q At the end of the lease agreement that the
6 church -- that the school has with the church the church is
7 going to own the improvements, the elevator put in by Otis
8 Elevator.

9 A At the end of the what?

10 Q At the end of the lease agreement with the
11 school.

12 A Will they own the elevator?

13 Q Sure.

14 A And a 3.9 million dollar mortgage, yes.

15 Q Well, the 3.9 million dollar mortgage wasn't
16 incurred by the charter school.

17 A I know, it was incurred by the church board for
18 the charter school.

19 Q And the charter school is paying almost a
20 million dollars a year in rent, isn't it?

21 A With interest and that will take years to pay
22 off.

23 Q Likewise, the \$350,000.00 paving of the lot,
24 that's going to be in the exclusive possession of the church
25 at the end of the lease.

D. Bloom - Recross

549

1 A If they would have rented it for the size and
2 shape, according to the lawyers they would have paid over
3 five years.

- 4 Q That's not answering my question, sir.
- 5 A What was your question?
- 6 Q It's going to be the property of the church.
- 7 A Eventually if the school doesn't terminate.
- 8 Q Mr. Anders also asked you with respect to the
9 paving of the lot about awarding a bid. Did you advertise
10 for bids?
- 11 A I think we did.
- 12 Q No, no, you don't turn to someone else for the
13 answer.
- 14 A I don't recall.
- 15 MR. ANDERS: I find that unusual since you were
16 pointing out things to the witness this morning.
- 17 A That was a couple years back. I don't recall.
- 18 Q You don't recall whether or not that was
19 publicly advertised?
- 20 A I don't recall.
- 21 Q The sign on Route 196, again, at the end of the
22 lease agreement that \$39,000.00 sign is going to belong to
23 the church, isn't it?
- 24 A Not unless they want to take it. It's up to
25 them.

♀

D. Bloom - Recross

550

- 1 Q Who is the them?
- 2 A The charter school. Talking about two
3 different boards. The charter school owns the sign. They
4 could remove that sign.
- 5 Q The gymnasium floor with the word Shawnee
6 Tabernacle that we discussed yesterday, again, that
7 basketball floor court is going to remain with the property
8 and belong to the church at the end of the lease. It's
9 going to revert back to the church exclusively, isn't it?

10 A Over time. They put down the floor. You can
11 take the floor, too.

12 Q I'm sorry, they put down the floor?

13 A The floor can be picked up.

14 Q Mr. Anders also asked you this afternoon with
15 respect to the parking lot expansion project whether or not
16 any monies were due and owing from the charter school to
17 Northeast Contractors.

18 A Correct.

19 Q At the time I think it's Principal -- Mr. Wi not
20 came to the board, became a board member. Do you remember
21 that question?

22 A Yes.

23 Q But, in fact, Northeast Contractors wasn't
24 billing the charter school, was it?

25 A Again, like we addressed before, charter

D. Bloom - Recross

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1 schools don't get financing or anything else like that and
2 in that manner they were doing the contracting through the
3 church because it was church property on the expansion. So,
4 they had to bill -- we had to get the bill -- as far as the
5 school we would get a bill from them through the church.

6 Q You would get -- in SD-19, and you can go look
7 at it to refresh your recollection -- what would happen is
8 the church was actually in the contract with Northeast
9 Contractors and then the church would bill the charter
10 school.

11 A Correct.

12 Q So, there was never a time when the school
13 directly owed money to Northeast Contractors.

14 A No, they paid it off.

15 Q They would pay the church.

16 A Right.

17 Q I hate to go back to this letter, and I think
18 I only have one more question relating, hopefully at least
19 today, to this letter, but SD-15, Mr. Langsam's letter ...
20 and Attorney Langsam was assisted by various employees of
21 the charter school in responding -- in drafting this letter
22 of June 8th, 2007. Am I not correct?

23 A What exhibit is that?

24 Q SD-15. That's the large one.

25 A Okay, go ahead.

D. Bloom - Recross

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1 Q I'm reading this correctly, am I not?

2 "The Pocono Mountain charter school (sometimes School) has
3 asked me to assist in the response to your inquiry letter of
4 April 10th, 2007." Did I read that correctly, sir?

5 A Where are you at? First page, second, third
6 page?

7 Q The first page of your attorney's letter to the
8 superintendent dated June 8th, 2007.

9 A Where is that, though?

10 Q School District 15.

11 A I have that one. Front page.

12 Q It should be the second page.

13 A Okay, go ahead.

14 Q The very first sentence in the letter states as
15 follows. "The Pocono Mountain Charter School (sometimes
16 School) has asked me to assist in the response to your
17 inquiry letter of April 10th, 2007." Have I read that
18 correctly, sir?

19 A I don't know if I have the same letter.

20 Q Next page. Did I read the sentence correctly?

21 A Yes.

22 Q So, the charter school assisted Counsel in
23 preparing not only the letter, but --

24 MR. ANDERS: Objection. That's
25 mischaracterizing the letter. He said in the letter "I'm

D. Bloom - Recross 553

1 assisting the charter school."

2 A Exactly.

3 MR. LITTS: We'll sustain the objection. You
4 can try to ask the question a different way.

5 Q Attorney Langsam relied on input from the
6 charter school in getting together the exhibits attached to
7 this letter, didn't he?

8 A If you mean he asked for documents from the
9 school he had to.

10 Q I want to be clear. The ones that are attached
11 to this letter.

12 A He would have had to have gotten it from the
13 school.

14 Q Exactly. And there were discussions between
15 people at the school and counsel about the response that
16 would be drafted. Is that a fair statement? I'm not asking
17 for the substance.

18 MR. ANDERS: Objection, attorney-client
19 privilege.

20 Q I'm not asking for the substance.

21 MR. ANDERS: You certainly are because you're
22 referring to a document --

23 MR. LITTS: I believe the question has been
24 answered. Let's move on.

25 Q The letter states from your counsel on

1 June 8th, 2007, on the last page that "There are no
2 paraprofessionals hired by the school, so there is no
3 attachment for this item." Did I read that correctly, sir?

4 A What item?

5 Q This is the last page of your counsel's letter
6 dated June 8th, 2007, marked as School District No. 15.

7 A The last page.

8 Q Last page.

9 A Correct.

10 Q And that means there's no teacher's aides on
11 staff. That's what --

12 A I don't know what that means.

13 Q You don't know what --

14 A Well, if you're saying aides you're talking --
15 we're talking teacher's assistants, teacher's aides, para-
16 professionals. At that time there was probably wasn't.
17 If he said there probably wasn't there probably wasn't.

18 MS. SCHURDAK: I have no further questions
19 based on Mr. Anders' line of questioning.

20 MR. ANDERS: I'll try to be brief.

21 - - -

22 REDIRECT EXAMINATION BY MR. ANDERS:

23 Q With regards to the April 4th, 2007, letter
24 were you present at that meeting?

25 A Yes, I was.

1 Q Did you hear Mr. Freund make any comments?

2 A No, he didn't make any comments regarding
3 anything.

4 Q Now, you were asked about the makeup of the
5 school board when the first charter was approved.

6 A Mm-hmm.

7 Q Did the school district keep records of the
8 first application to the charter?

9 A Yes.

10 Q So, the board, if it changed, would have the
11 ability to access those records when it came time for
12 renewal.

13 A Oh, definitely.

14 Q Now, to put this thing with Cookie Lancia in
15 perspective, the question -- the question asked you this
16 morning by Ms. Schurdak was did you have any appraisal
17 performed by a professional prior to the master lease
18 agreement and you said no and then we discussed the Cookie
19 Lancia letter in context with the master lease.

20 A Correct.

21 Q And that's originally why the questions of
22 Ms. Schurdak concerned the master lease.

23 A Correct.

24 Q Now, with regard to your -- you were asked some
25 questions by Ms. Schurdak about whether more than 60 days

D. Bloom - Redirect 556

1 elapsed since you got the notice of the resolution. Is
2 there anything in that document, Exhibit No. 1, Joint
3 Exhibit No. 1, that says, "If you address these issues we'll
4 withdraw the revocation proceedings."

5 A No.

6 Q And did you -- did the charter school agree
7 with the, quote, alleged deficiencies contained in
8 Exhibit -- Joint Exhibit 1?

9 A No.

10 Q Now, with regard to Exhibits 24 and 25,

11 Parente and Randolph were employed to audit the financial
12 condition of the charter school.

13 A Yes, and recommend any kind of changes or
14 recommend any kind of errors.

15 Q Would the amount of money being paid you as a
16 CEO reflect or have an affect on the financial condition of
17 the charter school?

18 A Can you rephrase that?

19 Q Sure. Would the amount of money the CEO was
20 being paid, if he was paid \$100,000.00 more than he should
21 be, would that affect the financial condition?

22 A Oh, they would have told us.

23 Q Now, you were asked some questions about the
24 lease between the charter school and the church.

25 A Yes.

D. Bloom - Redirect

557

1 Q And if the various -- the parking lot would
2 revert back to the --

3 A Correct.

4 Q -- church.

5 A Correct.

6 Q If the lease is continued into the future and
7 extends for 20 or 30 years would the parking lot be -- have
8 a depreciated value because of the wear and tear of the
9 charter school's use?

10 A I think when they -- the lawyers evaluated the
11 amount versus the years of the lease I think after five
12 years or so it's already paid off.

13 Q Would the basketball floor also due to wear and
14 tear depreciate over time?

15 A Oh, yes. It's wearing now.

16 Q With regard to the paving of the parking lot

17 by Northeast, no matter who was paying for it at the time
18 Mr. Wi not was appointed to the board had that invoice been
19 paid?

20 A Oh, yes, about a year and a half, I think,
21 prior.

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

23 MR. LITTS: What we'll do is this. We'll take
24 a recess so I can talk with the board just to see if we can
25 coordinate their questions. I'm not sure how long that will

D. Bloom - By Mr. Litts 558

1 take. That way you folks can take a brief break and when
2 we're done we'll come back out and have more questions.

3 MS. SCHURDAK: If I can just get my phone out
4 of there.

5 MR. LITTS: Go.

6 MS. SCHURDAK: Thank you.

7 (Recess from 2:30 p.m. to 2:52 p.m.)

8 MR. LITTS: We're back on the record and had
9 the opportunity to talk with the board and hopefully try to
10 get some of these questions and I appreciate, Pastor Bloom,
11 you've spent a lot of time on the stand, but background
12 information might be helpful to the board.

13 - - -

14 BY MR. LITTS:

15 Q The first question, sir -- and all this is
16 subject to your knowledge. Do you know how many members
17 serve on the charter school Board of Trustees?

18 A Approximately seven, I think.

19 Q And has that been a consistent number meaning
20 there's always been seven seats on the board for the charter
21 school or has that increased or decreased?

22 A That's come up and down between seven, eight,
23 five.

24 Q But officially it's seven members?

25 A Yes.

D. Bloom - By Mr. Litts 559

1 Q And when I ask the question -- let me just say
2 for an example the school board here by law has nine members
3 and there may be a vacancy every once in a while when
4 someone resigns or something like that, but by law there are
5 nine seats. So, if I understand your response you've set it
6 up in such a way that there's seven members for the Board of
7 Trustees, sir.

8 A Yeah, the bylaws set it up for seven.

9 Q And I'm assuming that the church also has a
10 board of trustees or board of directors.

11 A Yes.

12 Q And do you know how many people --

13 A Four.

14 Q And has that been a consistent number?

15 A Generally.

16 Q There was a lot of testimony with regards to
17 Statements of Financial Interest for a number of individuals
18 including charter school board members. Has there been a
19 significant amount of turnover of the membership on the
20 board of trustees for the charter school?

21 A Yes.

22 Q Could you describe that for the board briefly?

23 A It's hard to get, like, people that are
24 faithful and dedicated all the time to the board. I think
25 this year we've gotten some very good dedicated people.

D. Bloom - By Mr. Litts 560

1 We have a -- someone coming on the board I think next month

2 that -- he's been faithful, he's like democratic chairman of
 3 Monroe County, and we just had someone come on the board
 4 recently, but for the most part people move in and move out
 5 and people don't have the heart that you really want them
 6 for dedication to children and they get caught up in just
 7 relationships and -- but, lately we've had a good strong
 8 group with the desire to go through Roberts Rules, learn it
 9 real well, get training, go away for training, get people to
 10 come in and train the board. So, we're thankful this year.

11 Q And, if you can, could you give an indication
 12 of how many people would be coming off the board on an
 13 annual basis from, like, say, 2006, 2007? Zero members?
 14 Two members? Three members? Can you give us some type of
 15 idea of what kind of turnover you were experiencing?

16 A Sometimes -- sometimes people don't even last
 17 two months and -- you have the majority of people there,
 18 but you'd get, like, a fresh three that keep coming in and
 19 out at times. Otherwise, we still have a solid core that
 20 stays.

21 Q Do you know, sir, if there's any individuals
 22 that have at some point in time served on the board of
 23 directors for the church and the charter school?

24 A No, none of them.

25 Q And, so -- and when I ask the question it's not

D. Bloom - By Mr. Litts 561

1 necessarily simultaneous service meaning serving on the
 2 church board and the charter school board at the exact same
 3 time.

4 A No, none of them.

5 Q And the current president of the charter school
 6 board is who?

7 A Luddie Chatt.

8 Q And how long has that person served in that
9 capaci ty?

10 A I think since 2006.

11 Q And the president for the church board?

12 A No, that's Luddie Chatt.

13 Q I apologize. And then the president for the
14 charter school board?

15 A I know her name. Lisa Bansa.

16 Q And how long has she --

17 A I think she's been there two years now.

18 Q And do you recall who was the charter school
19 board president at the time, I guess, in 2007 when you
20 started receiving the correspondence about the issues that
21 you've testified today?

22 A I don't recall.

23 Q There was some testimonies with regards to
24 bonuses and, first off, who was it that recommended the
25 bonuses for the names that Mr. Anders was reading?

D. Bloom - By Mr. Litts

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1 A For the -- summer employees that did work
2 before school to get ready?

3 Q Yes.

4 A The principal.

5 Q Mr. Severs?

6 A Yes.

7 Q And all the people's names who were read were
8 they non-teaching staff? Support staff? Secretaries?

9 A They were the receptionist, they were the non-
10 support staff, you might call them. One of them was -- she
11 wasn't the business manager at the time.

12 MS. SCHURDAK: I'm sorry, I couldn't --
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13 A She wasn't the business manager at the time.
14 There were certain titles, but the majority of people that
15 work in the summer to get the building ready that was really
16 in bad shape for the children to come in September.

17 Q And did the charter school board of trustees
18 approve those bonuses?

19 A That I -- I can't recollect that. I don't know
20 that. The principal recommended it, they got it, and they
21 probably brought it to the board, I don't know. That I
22 don't know. I can't answer that question.

23 Q But if the charter school board of trustees did
24 approve the bonuses that would be reflected in the minutes
25 somewhere?

D. Bloom - By Mr. Litts

563

1 A Yes.

2 Q As the CEO of the charter school do you view
3 your role as similar to the superintendent of schools for a
4 school district?

5 A In many ways, yes.

6 Q And would it be correct to say, sir, that you
7 have overall responsibility for what goes on in the charter
8 school?

9 A You know, I believe anybody who leads any
10 people, no matter if you do it or not, if they're working
11 under you you have to take responsibility for it because
12 they are your employees.

13 Q And, so, we've heard some testimony about
14 information that may or may not have been handed out on
15 Election Day and bonuses and things like that. As the CEO
16 of the charter school is it your belief that you should know
17 what's going on with those types of activities?

18 A I don't think it's possible to know everything
19 that goes on at the time it goes on. It's just too big of
20 an establishment, too many things going on at the same time.

21 Q As the CEO are you the individual responsible
22 for handling procurement issues, like the work on the gym
23 and the stairwells and the doors, things like that?

24 A Well, the accounting department deals with that
25 many times. They'll deal with contractors or deal with

D. Bloom - By Mr. Litts

564

1 building and things of that nature.

2 Q And what would the accounting department do
3 exactly?

4 A My accounting department, they call
5 contractors, they deal with them on the phone, set up
6 schedules.

7 Q And is there a particular individual in the
8 accounting department that would handle those things?

9 A We have now Loletta Robertson in Accounting.

10 Q How about at the time of these contracts or
11 agreements for the gymnasium flooring, Otis Elevator, the
12 installation of the doors?

13 A I think she was still there. I may be wrong,
14 but I think she was still there.

15 Q When you say she was still there --

16 A Loletta Robertson.

17 Q And what is or was her title?

18 A Now she's in the business office.

19 Q Do you know, sir, if the work that the charter
20 school paid for which, based on the testimony, we understand
21 to be the gym floor, the dividing curtain, the lockers, the
22 Otis elevator, the scoreboard, the LCD light, the bleachers,
23 et cetera, were those competitively bid?

24 A Yes, they were through the same -- 'cause I
25 talked to Paul about that because at one time he said we had

D. Bloom - By Mr. Litts 565

1 to do the bidding a couple years back, so Paul gave me the
2 name of a bidding company that the district uses and we use
3 the same one.

4 Q And when you say bidding company what do you
5 mean?

6 A They use one that you don't have to, like, bid
7 out four or five people because if you go to them it's under
8 state contracts.

9 Q You're saying that all those people were
10 solicited through state contract?

11 A I believe so.

12 Q Does the charter school have records?

13 A Yes.

14 Q And do you know if prevailing wages were paid
15 for the contract employees that did the work on those
16 projects?

17 A I don't know.

18 Q Do you know if the charter school is in
19 possession of certified payroll to demonstrate compliance
20 with prevailing wage?

21 A I don't recall.

22 Q Assuming prevailing wage --

23 A Was required.

24 Q -- was required you believe that the school
25 would have done that?

D. Bloom - By Mr. Litts 566

1 A True.

2 Q And you would be in possession of certified

3 payroll records to demonstrate that?

4 A Accounting would be -- I mean, we wouldn't pay
5 the people to do that, the actual bid winners would probably
6 get that.

7 Q Well, I don't want to talk about the
8 requirements of prevailing wage, but take it for what it's
9 worth that it's my understanding of the law that when
10 prevailing wage must be paid there's a requirement that the
11 school or the public agency maintain certified payroll
12 records and I'm just asking --

13 A But --

14 Q If it was required to be paid do you know if
15 you have such records?

16 A If it was required to be paid it would have
17 been paid.

18 Q But the other requirement is not only to pay
19 it, sir, but for the agency to maintain copies and certified
20 payroll records and my question is do you know if the
21 charter school has copies of certified payroll records for
22 any of these projects?

23 A The projects that were actually bid out was
24 bid out to a -- you would call it a company through the
25 state regs like when Pocono Mountain School District does

D. Bloom - By Mr. Litts 567

1 bill out them. So, the employees don't work for us or the
2 school, they work for the company. We pay, as a school,
3 the contract.

4 Q The -- as pastor for Shawnee Tabernacle can you
5 explain your duties?

6 A I minister on Wednesday nights and Sundays,
7 Sunday mornings.

8 Q Do you have any other duties or responsi -

9 bilities or anything that goes along with that position?
10 A Funerals, weddings.
11 Q Are you compensated for your work as pastor?
12 A No, I haven't gotten a salary there.
13 Q I just want to make sure we understood the
14 testimony for the past two days about this master lease and
15 there's been all sorts of testimony about the significance
16 of Attorney O'Donnell's and Attorney Langsam's names on that
17 master lease. Is it your testimony, sir, that Attorney
18 O'Donnell and Attorney Langsam were representing the charter
19 school in the negotiation of that master lease?
20 A Yes.
21 Q Was there anyone representing the church in the
22 negotiation of that master lease?
23 A No.
24 Q And who handled the negotiations for the
25 church?

D. Bloom - By Mr. Litts 568

1 A Well, after they completed it and they were
2 comfortable with it and we as a school board -- everyone
3 felt that this was good we then sent it to Marshall, the
4 church board attorney, and he reviewed it and he just said
5 it was fine.
6 Q So, the church board attorney reviewed this
7 master lease?
8 A Right.
9 Q And that would have been Mr. Anders?
10 A Exactly.
11 Q But at any point in time was there someone
12 who was communicating with Attorneys O'Donnell and/or
13 Langsam about the terms of that lease for the church?

14 A No.

15 Q There was also testimony about the renewal of
16 the charter and you characterized -- I may have this
17 inaccurately -- about having a gun placed to your head.
18 Were there discussions or meetings that you or someone on
19 behalf of the charter school participated with -- along with
20 the school district about the renewal of the charter?

21 A Discussions with -- you say with the attorneys
22 or --

23 Q Anyone. At some time point in time the
24 original charter was set to expire; is that correct?

25 A Correct.

D. Bloom - By Mr. Litts 569

1 Q And I'm assuming at some point in time there
2 were communications made either to you or someone at the
3 charter school that the school district was disappointed or
4 had concerns about particular issues related to any
5 potential renewal; is that correct?

6 A I don't recall that. I recall filling out
7 application with questions for renewal and the attorneys
8 then got together and started talking.

9 Q And the attorneys would be ...?

10 A Bob O'Donnell and Henry Langsam.

11 Q And do you know who they spoke with?

12 A Kevin Reid and I think it was Freund at one
13 time, but Kevin I know.

14 Q So, did -- and I don't want to put words --

15 A That was after, I think, the meeting they had
16 with the president, superintendent, John Severs, myself, and
17 the lawyers.

18 Q So, did the lawyers for the school district and
19 the lawyers for the charter school sort of negotiate this

20 renewed charter?

21 A Well, our lawyers were talking with them
22 regarding the renewal.

23 Q And --

24 A And there was many issues there they just
25 didn't agree with.

D. Bloom - By Mr. Litts

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1 Q But -- again, sir, I don't want to
2 mischaracterize your testimony. I wrote down something
3 about having a gun placed to your head about --

4 A We got the letters back after the conversations
5 and later on -- and I'm sure they'll present those letters
6 that they have. We had to either be forced to put in the
7 issues regarding church members being the majority in the
8 board. Otherwise, they would not sign the charter and they
9 would bring us to revocation hearings.

10 Q So, it's your understanding that if the
11 charter school did not agree to these additional conditions
12 in the renewed charter the school district intended to
13 initiate revocation proceedings.

14 A Yes.

15 Q And when faced with those alternatives the
16 charter school elected to go along with those conditions.

17 A 400 kids have to start school in two months.

18 Q There was some discussion about AYP and I was
19 assuming either yourself or someone from the school has PSSA
20 testing data for the charter school.

21 A Yes.

22 MR. LITTS: So, the board might -- I'm looking
23 at both counsel -- would appreciate maybe receiving that
24 data from both entities so they can review it for

25 themsel ves.

 D. Bloom - By Mr. Litts

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1 A They have that.

2 MR. LITTS: Well, I know -- most of that stuff
3 is public. I don't know if this year's scores have been
4 published or not.

5 A Yes, definitely.

6 MR. LITTS: And instead of simply looking at
7 people's characterizations about the data we'll just take a
8 look at it ourselves. So, I'll ask both counsel to provide
9 that.

10 Q With regards to the superintendent's April 10th
11 letter, we've talked about that. After you received that
12 letter what did you do?

13 A I would have to refresh that April 10th letter.

14 Q Sure. It's School District 14.

15 A Okay.

16 Q Have you that letter, sir?

17 A Mm-hmm.

18 Q At the time that you received that letter did
19 you have any indication from the school district that it was
20 disappointed with the activities of the charter school or
21 have any concern about charter compliance?

22 A Well, I mean, the letter speaks for itself
23 about certain things that they needed and we just went over
24 them and knew that they had mostly everything here.

25 Q Well, again, let me rephrase my question.

 D. Bloom - By Mr. Litts

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1 When you received this letter was this a surprise to you?

2 A No. Every year they tell us about things.

3 Q And after you received this letter what did you
4 do?

5 A I can't recall that. I mean, this is back in
6 2007. I can't tell you what I ate yesterday, but I can tell
7 you that we looked over the information. I could have
8 talked with Paul Kelly right afterwards, I'm not sure, and
9 told him that most of this information you have. I don't
10 know what happened after that.

11 Q All right. And there's been, I think, some
12 testimony about this, but I want to make sure we're
13 not mischaracterizing. At some time point in time I'm
14 assuming you as CEO authorized Attorney Langsam to submit a
15 letter in response to this letter. Is that correct?

16 A Yeah, the board retained him.

17 Q And if I heard your testimony correct, you
18 believe other information was submitted to the school
19 district and you just don't recall who submitted that
20 information or what that information was.

21 A Well, when I say don't recall all the
22 information I know the items that were on there we either
23 talked to Paul and said you have most of them if not all of
24 them already and any additional ones they want just put in a
25 request for.

D. Bloom - By Mr. Litts

573

1 Q And the exhibits attached to Attorney Langsam's
2 letter from the charter school, did you provide him with
3 that information or do you know who did?

4 A I believe -- I don't know who was the secretary
5 at the time. I'm sure they gathered information for him and
6 the accountants gathered information for him.

7 Q And did you oversee the gathering of this
8 information?

9 A I was overseeing stuff that was going out.

10 Not everything. I leave a person with a list of things to
11 do and they get it done. Any questions, it will come back
12 and if they need anything we'll supply it.

13 Q There was also testimony with regards to the
14 manner in which utilities were paid for between the charter
15 school and the school district.

16 A Right.

17 Q There was some testimony regarding the church
18 being billed once or twice a year. Is it correct, sir,
19 that there's no written agreement that reflects that payment
20 schedule?

21 A No. They have -- in billing it once a month
22 the accountant really looked at it and said, "You know what?
23 Why don't we submit you one bill every six months," and
24 that's how they paid it.

25 Q There were also some advertisements for the
D. Bloom - By Mr. Litts 574

1 charter school board of trustee meetings and as CEO is it
2 your responsibility to ensure that the board of trustee
3 meetings are advertised in compliance with The Sunshine Act?

4 A Well, also, we had to put them in there and we
5 would put them in the paper, but he said we didn't have to
6 put them in every month because the date doesn't change.

7 Q And do you know whether or not all the public
8 meetings have been properly advertised?

9 A Yes.

10 Q And, just for clarity, the board would like to
11 see if we can get better copies of the proofs of
12 publication.

13 A I know. We don't get good copies either.

14 MR. LITTS: If it's okay with counsel, I'll
15 talk with them and see if we can contact the newspaper

16 directly.

17 MS. SCHURDAK: The charter school would have
18 the most original of them.

19 MR. LITTS: We can maybe get it from the
20 newspaper.

21 Q Sir, based on this deed that was entered into
22 evidence is it correct that you have served as president of
23 Shawnee Tabernacle Church, Incorporated?

24 A Yeah, when we first started back in '95 I think
25 it was.

D. Bloom - By Mr. Litts 575

1 Q And how long did you serve in that capacity?

2 A Until they established the board.

3 Q And when was that?

4 A I think it was a couple years later.

5 Q Were you still serving as president when that
6 deed was executed?

7 A No, no, I was out a long time.

8 Q You also testified with regards to your
9 employment agreement that your job duties have changed since
10 that agreement was entered and I believe that was in 2006;
11 is that correct?

12 A Yes.

13 Q Can you explain how your job duties as CEO have
14 changed since then?

15 A Well, I mean, they gave a general of what my
16 responsibilities would be, but because we're short staffed
17 and we're a charter we don't have many employees, so you
18 have to do the jobs yourself. So, everyone working there in
19 the administration they carry like five, six, seven hats.
20 I may carry nine, 10 more.

21 Q So, when you say your job duties changed, when
22 there's a vacant position and something needs to be done --

23 A You would do what you have to do.

24 Q What involvement do you have with regards to
25 hiring and personnel decisions as CEO for the charter

D. Bloom - By Mr. Litts

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1 school?

2 A That's hired mostly through Human Relations and
3 the principal interviews many people and now we have
4 Miss Thorne and she's the one who interviews also and after
5 they all finish with that then they'll come to me and --
6 with, like, the final interview and then they're hired.

7 Q Do you participate in all final interviews for
8 people recommended for hire?

9 A The majority of them.

10 Q And what positions would you not participate in
11 an interview for?

12 A Sometimes maintenance and things of that
13 nature. I won't be called in on everybody.

14 Q If you know, sir, again, there's been a lot of
15 testimony about the filing of Statements of Financial
16 Interest.

17 A Yes.

18 Q What, if anything, does the charter school do
19 in an attempt to make former board members aware of their
20 obligation to file those statements?

21 A Well, first of all, Paul said all we had to do
22 was keep them in a cabinet. You get them in January, file
23 them, and put them away.

24 At one point in time we were told we had to
25 register with the state and then what we did when we sent

D. Bloom - By Mr. Litts
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6 official title Chief Pastor or Head Pastor?

7 A Senior.

8 Q Senior Pastor and the other pastors' titles
9 would be ...?

10 A Pastor or Associate Pastor, but they call them
11 Pastor.

12 Q And, if you know, how many pastors work with
13 the church?

14 A Well, we had elders and pastors, but right now
15 there's just two of us. We have deacons also. And a
16 deaconess.

17 Q You had mentioned you don't receive a salary
18 from the church for your services. Do you receive any other
19 type of remuneration?

20 A No.

21 Q Reimbursement for a car or vehicle?

22 A Oh, you get reimbursed if you go out or take
23 one of the other visiting pastors out to speak.

24 Q But they don't pay for a car lease or anything
25 like that for you.

D. Bloom - By Mr. Litts

579

1 A No.

2 Q So, you would be reimbursed if you took someone
3 out to lunch for lunch expenses or --

4 A Travel expenses, ministry meetings, we just
5 came back from men's fellowship

6 MR. LITTS: One minute. Am I forgetting
7 anything? That's all the questions from the board. As a
8 result of those questions do any of the attorneys have any
9 questions?

10 MS. SCHURDAK: I do. May I run out to make a
11 quick copy? Or do it at the end?

12 MR. LITTS: What is it?
13 MS. SCHURDAK: Board minutes from June of '07.
14 MR. LITTS: Do you want to make an exhibit
15 or -- let's make a copy and bring it back in and if there's
16 any other copies that anyone else wants let's do it
17 MS. SCHURDAK: That's what I'm suggesting.
18 MR. LITTS: Do you have other questions
19 unrelated to that?
20 MS. SCHURDAK: I do.

21 - - -

22 RE-CROSS EXAMINATION BY MS. SCHURDAK:

23 Q Point of clarification. I'm sorry, I couldn't
24 understand all of the answer. Special Education, is it
25 Miss Thorne?

D. Bloom - Recross

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1 A That's one of the positions.
2 Q That you were just asked questions about by
3 Hearing Officer Litts.
4 A Yes.
5 Q I'm unclear when in the timeline she started to
6 earn \$70,000.00 a year. Can you provide me with that
7 clarification?
8 A I said I believe it was in the last month.
9 Q The last month of this year.
10 A Yes.
11 Q And she's working as of 2009 approximately
12 three days a week?
13 A Yes. Sometimes she's there four or five,
14 but ... she likes three for now.
15 Q You mentioned in response to Hearing Officer
16 Litts's questions something about meetings, plural, with

17 Kevin Reid present and I want to ask you about that. First
18 of all, were you present for more than one meeting where
19 Kevin Reid was present?

20 A That I can recall, either one or two.

21 Q Mr. Freund testified about the one this
22 morning.

23 A Yes, I remember that one. I think -- I'm not
24 sure, but I think we were right here down the hall.

25 Q Hmm?

D. Bloom - Recross

581

1 A I think we were down the hall here.

2 Q In terms of -- was there a subsequent meeting
3 where Kevin Reid was present?

4 A Not to my knowledge.

5 Q Were there any meetings to the best of your
6 knowledge prior to the meeting down the hall with the
7 superintendent, Kevin Reid, and John Freund. And your
8 counsel.

9 A Not to my knowledge. Just counsel and them.

10 Q And to your knowledge did the charter school
11 lawyers and the Pocono Mountain School District lawyers ever
12 meet privately without their clients present? To discuss
13 the renewal of the charter.

14 A Excuse me?

15 Q To the best of your knowledge did the charter
16 school lawyers and the school district lawyers ever meet
17 privately without having representatives from the charter
18 school and the school district present during the meeting?

19 A I think -- I think they did. With telephones
20 and all that, I believe they did. The correspondence would
21 show that.

22 Q Now, I think in response to Hearing Officer

23 Litts' s questions, which were really made on behalf of the
24 board, you testified that there were a series of bonuses
25 given in order to reward people for cleaning up the school

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D. Bloom - Recross 582

1 and getting it ready for the fall term. Am I correct in
2 that, sir?

3 A Yes.

4 Q Can you explain to me then, sir, why your
5 daughter received a bonus in June of 2007?

6 A Was it 2007?

7 Q Yes. And if you go --

8 A With the rest of the people?

9 Q If you go to the exhibit it's SD-30 and it will
10 be in that stack to your left.

11 A Okay.

12 Q You can look at it to refresh your
13 recollection, but your daughter's bonus was given to her on
14 June 29th.

15 A Okay. With the rest of the people?

16 Q I'm just talking about your daughter.

17 A You're talking about her, but I don't know the
18 period of time where everyone got it. If it was with
19 everyone else then it was there.

20 Q And then I think on further questioning you
21 said that those -- that the bonus was approved by the board
22 to the best of your recollection.

23 A No, I said that I don't know if the board got
24 that in the approval, I don't know.

25 - - -

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D. Bloom - Recross 583

1 (PMSD Board Minutes dated 6-6-07 marked for

2 i d e n t i f i c a t i o n a s S c h o o l D i s t r i c t E x h i b i t N o . 4 2 .)

3 Q I ' m g o i n g t o s h o w y o u , P a s t o r B l o o m , E x h i b i t
4 S D - 4 2 a n d a s k y o u t o r e v i e w t h e d o c u m e n t a n d l e t m e k n o w
5 w h e n y o u ' r e d o n e r e v i e w i n g i t , p l e a s e .

6 A I ' m d o n e .

7 Q T h i s d o c u m e n t c o n s t i t u t e s t h e m i n u t e s f r o m t h e
8 P o c o n o M o u n t a i n C h a r t e r S c h o o l b o a r d m e e t i n g h e l d o n
9 J u n e 6 t h , 2 0 0 7 . A m I c o r r e c t ?

10 A Y e p .

11 Q T h e r e ' s n o t h i n g i n t h e s e m i n u t e s t o r e f l e c t
12 t h a t a n y b o n u s e s w e r e a p p r o v e d . A m I c o r r e c t ?

13 A N o t h e r e .

14 Q T h a n k y o u .

15 M S . S C H U R D A K : I h a v e n o f u r t h e r q u e s t i o n s ,
16 b u t I w o u l d m o v e f o r t h e a d m i s s i o n o f S D - 4 2 i n t o e v i d e n c e .

17 M R . A N D E R S : N o o b j e c t i o n .

18 M R . L I T T S : S u s t a i n e d . J u s t t o d o u b l e - c h e c k ,
19 4 2 i s m o v e d i n t o e v i d e n c e

20 M S . S C H U R D A K : I t h i n k I m o v e d e v e r y t h i n g i n .

21 M R . L I T T S : I w a s c h e c k i n g a n d m y n o t e s r e f l e c t
22 t h a t t h a t w a s d o n e .

23 M S . S C H U R D A K : T h a n k y o u .

24 M R . L I T T S : M r . A n d e r s , o p p o r t u n i t y f o r
25 q u e s t i o n s .

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D. Bloom - Redirect

584

1 R E D I R E C T E X A M I N A T I O N B Y M R . A N D E R S :

2 Q S i r , y o u w e r e a s k e d a b o u t s o m e m a t e r i a l s t h a t
3 w e r e d i s t r i b u t e d o n E l e c t i o n D a y .

4 A Y e s .

5 Q W e r e t h e y d i s t r i b u t e d b y s c h o o l e m p l o y e e s ?

6 A N o . I d i d n ' t k n o w e v e n k n o w t h e e m p l o y e e s t h a t
7 w e r e g i v i n g t h e m o u t .

8 MS. SCHURDAK: I'm sorry, I couldn't catch the
9 tail end of that answer.

10 A I don't know anybody was giving them out.

11 Q And it's your recollection, notwithstanding
12 what SD-42 stands for, that the bonuses were approved by the
13 Board of Trustees?

14 A I don't recollect. I know the principal
15 recommended it, it went to Accounting. I saw no problem
16 with it and they got paid.

17 Q And were all the other bonuses referenced --
18 we went through today, were they all paid at the same time
19 as your daughter's?

20 A Yes.

21 MR. ANDERS: That's it.

22 MR. LITTS: Just for Counsel, as to the bonus
23 question, the board's interested -- did the board approve it
24 and if there's information -- if there's minutes or
25 something reflecting that we'd be interested.

‡

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1 MR. ANDERS: I have something, but it's
2 hearsay.

3 MR. LITTS: And it very well may be that it
4 will come out later, but I'm trying to be as candid as I can
5 with the questions from the board and as to questions that
6 come up we'd prefer to get answers to things if answers
7 exist with respect to the information. So, just keep that
8 in mind for future reference.

9 With that, it's about 3:30. I talked with
10 Counsel prior to the afternoon session and I think we are
11 all in agreement that it's not worthwhile starting another
12 witness at this late date. I want to thank Pastor Bloom for

13 his patience and perseverance in testifying and you are now
14 excused, sir, at least from the school district questioning.

15 We are scheduled to reconvene this hearing on
16 December 8th at 10:00 a.m., so I'll recess the hearing with
17 that in mind and talk to Counsel afterwards about potential
18 additional dates. So, we are now in recess.

19 - - -

20 (Whereupon, the above adjourned at 3:33 o'clock
21 p.m. on Tuesday, November 24, 2009.)

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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 November 24, 2009, 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

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