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IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF SANTA CLARA
BEFORE THE HONORABLE PATRICIA M. LUCAS, JUDGE

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Canaan Taiwanese Christian)
Church,)
)
Plaintiff,)
)
vs.) Case No. 111-CV-197542
)
)
All World Mission Ministries,)
DBA: World Mission Prayer Center,)
)
Defendant.)
)
)
_____)

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REPORTER'S TRANSCRIPT OF THE PROCEEDINGS

May 18, 2011

A P P E A R A N C E S:

For the Plaintiff: Jan A. Gruen, Attorney at Law
Lori Liu, Attorney at Law

For the Defendant: Christopher Thomas, Attorney at Law
Richard Wahng, Attorney at Law

Julie T. Serna
Official Court Reporter
CSR #7890

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1 San Jose, California

May 18, 2011

2 **P R O C E E D I N G S :**

3 THE COURT: Good morning.

4 This is the case of Canaan Taiwanese Christian Church
5 versus All World Mission Ministries.

6 Good morning, would you say your names, counsel.

7 MS. GRUEN: Good morning.

8 Jan Gruen representing the Canaan Taiwanese Christian
9 Church.

10 MS. LIU: Lori Liu representing plaintiff.

11 MR. THOMAS: Good morning, Your Honor.

12 Chris Thomas representing All World Mission
13 Ministries.

14 MR. WAHNG: Good morning. Richard Wahng
15 representing the Defendant.

16 THE COURT: This matter is on this morning for
17 trial. I had a discussion with counsel off the record
18 indicating my willingness to assist the parties in trying
19 to resolve the case this morning, if it's possible, my
20 willingness to serve as trial judge, and my willingness to
21 serve in both capacities if the parties are interested.

22 So it's my understanding that both parties are
23 interested in electing option three; is that correct?

24 MS. GRUEN: That is correct, Your Honor.

25 MR. THOMAS: Yes, Your Honor.

26 THE COURT: All right. And I would like to hear
27 from the principles on this issue so there's no lack of
28 clarity.

1 Who would speak to this on behalf of the plaintiff?

2 MS. GRUEN: It would be our current CEO also
3 vice chairman of sessions, which is the body of elders
4 that is responsible for governing the church and also is
5 the chairman of the building, and his name is David Weng
6 and he is here today, Your Honor.

7 THE COURT: All right. Mr. Weng, would you come
8 forward.

9 MR. WENG: Yes.

10 THE COURT: Very good. Thank you. Good
11 morning.

12 MR. WENG: Good morning.

13 THE COURT: And who will speak to this on behalf
14 of the Defendant?

15 MR. THOMAS: Pastor Lee, Your Honor, who is
16 pastor of All World Ministries.

17 THE COURT: All right. And the Defendant is
18 satisfied that Mr. Weng has authority to act on behalf of
19 the Plaintiff?

20 MR. THOMAS: Yes, Your Honor.

21 THE COURT: And the Plaintiff is satisfied that
22 Pastor Lee has the authority to act on behalf of the
23 Defendant?

24 MS. GRUEN: If he represents that that is true,
25 Your Honor, we have no reason to contest that.

26 THE COURT: All right. And is Pastor Lee
27 present here?

28 MR. THOMAS: Yes, Your Honor.

1 THE COURT: All right. Good morning.

2 I understand that Pastor Lee is assisted by a Korean
3 language interpreter; is that correct?

4 THE INTERPRETER: Yes, Your Honor.

5 THE COURT: All right. Madame Interpreter,
6 would you say your name.

7 THE INTERPRETER: Han Mei Chen.

8 THE COURT: All right. And I understand that
9 you are not certified; is that right?

10 THE INTERPRETER: I'm not.

11 THE COURT: All right. Madame Clerk, would you
12 provide the interpreter oath that would be appropriate
13 under these circumstances.

14 (Whereupon, the interpreter was duly sworn to
15 interpret to the best of her ability.)

16 THE COURT: All right. Thank you for your
17 assistance.

18 I'm going to address some comments now to Mr. Weng
19 and to Pastor Lee in connection with the agreement that
20 your counsel have represented that you're willing to make
21 concerning my participation.

22 This matter is set for trial today before me as the
23 trier of fact. That means that if the matter does go to
24 trial, I will be the one hearing the evidence and I will
25 be the one making the decision.

26 Do each of you understand that, Mr. Weng?

27 MR. WENG: Yes.

28 THE COURT: And Pastor Lee?

1 MR. LEE: Yes.

2 THE COURT: And we need to have his answer
3 interpreted by madame interpreter for the record,
4 please.

5 MR. LEE: Yes.

6 THE COURT: And your counsel have also indicated
7 that you are willing to have me participate in settlement
8 discussions to see if the matter can be resolved without
9 going to trial, and am I correct in that understanding as
10 well, Mr. Weng?

11 MR. WENG: Yes.

12 THE COURT: And Pastor Lee?

13 MR. LEE: Yes.

14 THE COURT: So I want to be sure that you
15 understand that if we make an effort to resolve the case
16 and we're not successful, that I will be the one to hear
17 the evidence and make the decision.

18 Are you agreeable to that?

19 MR. WENG: Yes.

20 THE COURT: All right. Thank you, Mr. Weng,
21 Pastor Lee.

22 MR. LEE: Yes.

23 THE COURT: All right. Very good.

24 Well, thank you for that agreement. We'll get to
25 work accordingly.

26 Is there anything else anybody wants to put on the
27 record at this time?

28 MS. GRUEN: No, Your Honor.

1 MR. THOMAS: No, Your Honor.

2 THE COURT: All right. Very good. Then we're
3 in recess and counsel, let me know when you're ready to
4 confer.

5 (Whereupon, there was a discussion between the
6 Court and counsel off the record and the following
7 proceedings were held.)

8 THE COURT: We're on the record in the Canaan
9 Taiwanese Christian Church versus All World Mission
10 Ministries.

11 Counsel, I understand that we have reached an
12 agreement; is that correct?

13 MS. GRUEN: Yes, it is, Your Honor, on behalf of
14 Plaintiff.

15 MR. THOMAS: Yes, Your Honor, on behalf of the
16 Defendant.

17 THE COURT: All right. At this time Pastor Lee
18 is assisted by a certified Korean interpreter. Madame
19 interpreter, would you say your name, please.

20 THE INTERPRETER: Yes, Your Honor. Jacki Noh;
21 J-a-c-k-i, N-o-h, Certified Court Interpreter.

22 THE COURT: All right. And she is
23 simultaneously translating for Pastor Lee.

24 So at this time, Ms. Gruen, I'm going to ask you to
25 say the terms of the agreement, then we'll have Mr. Weng
26 confirm those, and then we'll have representatives of the
27 Plaintiff and representatives of the Defendant confirm.
28 So -- would you proceed.

1 MS. GRUEN: Yes, I will, Your Honor.

2 The first term is that Defendant shall provide an
3 immediate opportunity to inspect all three properties to
4 assess the need for repairs or restoration, and shall
5 coordinate this with David Weng.

6 Number two, the residential property located at 184
7 Farley Street shall be surrendered immediately, and the
8 property at 196 Farley Street shall be surrendered within
9 three weeks of today's proceedings with a stipulated
10 judgment for possession and issuance of a writ of
11 possession to be entered forthwith if the Defendant does
12 not comply.

13 Defendant waives any right to oppose or object to the
14 entry of judgment and the writ, and no notice shall be
15 required.

16 The residential properties, once surrendered, shall
17 be in good condition and nothing shall be done to damage
18 or destroy the properties up through the date of
19 surrender. All keys and garage door openers shall be
20 provided by Defendant to their counsel for immediate
21 delivery to Plaintiff's counsel on the date of surrender.

22 Number four, upon surrender of the residential
23 properties Defendant, including Pastor Tai Koan Lee, shall
24 not return to the premises in the absence of written
25 notice in advance delivered to David Weng providing
26 24-hours notice.

27 Number five, effective immediately Defendant shall
28 forward all mail to 1904 Silverwood and shall file

1 appropriate papers with the California Secretary of State
2 identifying 1904 Silverwood as the principal place of
3 business for All World Mission Ministries and related
4 entities, and Defendant shall remove any residents to the
5 residential properties in any corporate documents for any
6 purpose.

7 Number six, with respect to the residential
8 properties any personal items or property left behind upon
9 the date of surrender shall be disposed of at Defendant's
10 expense without notice and without any requirement or
11 obligation of the Plaintiff to maintain said items.

12 Defendant represents that there are no liens for work
13 performed at the residential or church properties, or for
14 outstanding expenses or costs for which Defendant are
15 responsible under the lease dated January 1st, 2009. And
16 agrees to defend and indemnify and hold Plaintiff harmless
17 for any past, present or future claims by third parties in
18 this regard.

19 With respect to the church property, Plaintiff and
20 Defendant shall enter into a new lease for a four-month
21 period of time. Defendant shall pre-pay rent, including
22 base rent, utilities, insurance, and parking in the amount
23 of \$15,000 per month from May 18th through September 18th,
24 2011, which total amount of \$60,000 shall be prepaid and
25 nonrefundable in any event.

26 Number nine, upon expiration of the church lease
27 Defendant must vacate the premises and agrees to execution
28 of a stipulated judgment of possession and issuance of an

1 issuance of immediate writ of possession in event of
2 failure to surrender the church property waiving all the
3 alternative to contest or object to same. Notice by
4 Plaintiff shall not be required.

5 Number ten, with respect to church property, any
6 personal property or items left behind upon the date of
7 surrender shall be disposed of at Defendant's expense
8 without notice and without any requirement or obligation
9 of Plaintiff to maintain said items.

10 Number 11, during the time period from May 18th
11 through September 18th, 2011, plaintiff will agree not to
12 list the church property for sale to the general public,
13 and will agree to give defendant the exclusive opportunity
14 to purchase said property subject to the following terms:

15 The purchase price shall be 3.3 million dollars, all
16 cash. The close of escrow shall occur on or before
17 September 18th, 2011, in which event Defendant shall not
18 be required to surrender the premises.

19 Defendant shall deposit three percent of the purchase
20 price.

21 THE COURT: Did you say September 18th?

22 MS. GRUEN: Yes.

23 THE COURT: That's a Sunday. Okay. All right.

24 MS. GRUEN: Defendant shall deposit three
25 percent of the purchase price in the amount of 99,000 into
26 an escrow account which amount shall constitute
27 nonrefundable liquidated damages to be paid to Plaintiff
28 from escrow should Defendant fail to close escrow on or

1 before September 18th, 2011.

2 The contemplated purchase and sale agreement is
3 wholly independent of the contemplated lease agreement and
4 the Defendant waives any right to claim the contrary in
5 the event of future legal proceedings. Upon the failure
6 of Defendant to close escrow on or before September 18th,
7 2011, Plaintiff will have the right to terminate the
8 purchase sale agreement and offer the church for sale to
9 the general public, and Plaintiff shall have no further
10 obligations of any kind to Defendant.

11 At present there is \$249,000 in escrow which sum
12 constitutes nonrefundable liquidated damages in favor of
13 Plaintiff.

14 Defendant hereby authorizes the release of \$156,000
15 to Plaintiff with the balance to be credited to Defendant
16 and deposited in escrow along with the \$700,000 subject to
17 the set-offs discussed below.

18 Number 16, Plaintiff currently possesses the sum of
19 \$700,000 which sum reflects previous deposit made by
20 Defendant in connection with its attempts to purchase the
21 properties. Certain of those funds were nonrefundable.
22 Certain of those funds were refundable. The following
23 amount shall be paid to Plaintiff with the balance to be
24 applied towards the purchase price of the church property:

25 \$161,215.25 for rent from September 1st, 2010 through
26 May 18th, 2011 for all properties. \$60,000 as a
27 pre-payment of church rent.

28 \$100,000 as a reduced early termination fee under the

1 option agreement. \$99,000 as the three percent
2 nonrefundable liquidated damages for the upcoming
3 contemplated purchase and sale agreement. A deposit in
4 the amount of \$50,000 to be returned less any damage or
5 repairs needed to the property or any costs expended to
6 dispose of personal items.

7 Pursuant to Civil Code Section 1542, Defendant and
8 Pastor Tai Koan Lee hereby release any and all claims to
9 ownership, legal or equitable, or damages of any kind
10 relating to the properties at issue herein, any of
11 Plaintiff's employees, agents or representatives, or any
12 agreement, including but not limited to prior purchase and
13 sale agreements, the lease of January 1st, 2009, and the
14 option agreement.

15 The settlement agreement. The new lease and the
16 contemplated commercial purchase and sale agreement
17 regarding the property shall supersede all prior
18 agreements between Plaintiff and Defendant. Pastor Tai
19 Koan Lee as president and CEO of All World Ministries
20 hereby authorizes Eugene Chen to enter into this
21 settlement, the new lease and the separate contemplated
22 commercial purchase and sale agreement, as the authorized
23 agents and representative of Defendant.

24 Pastor Lee and John Yu shall co-sign all such
25 agreements acknowledging their approval of same. This
26 Court shall retain jurisdiction under Code of Civil
27 Procedure Section 664.6 to enforce this agreement.
28 Attorneys fees will be recoverable by any prevailing party

1 to such proceedings. This action shall be stayed for a
2 period of six months and Plaintiff will dismiss the action
3 with prejudice provided Defendant fully complies with the
4 terms of this agreement.

5 THE COURT: Have you completed your recitation
6 of the agreement?

7 MS. GRUEN: I have, Your Honor.

8 THE COURT: All right. Mr. Wahng, is that the
9 agreement, as you understand, on behalf of the Defendant?

10 MR. WAHNG: Your Honor, Ms. Gruen recited a very
11 detailed statement of the agreement. I would like to
12 clarify one issue.

13 The purchase of the church has a liquidated damages
14 and also the deposit of \$99,000. Now, if for whatever
15 reason my client, the Defendant, is not able to complete
16 the purchase agreement, the rest of the \$700,000 less the
17 deductions that you talked about, and also the remainder
18 of the 200, I think it's \$249,000 of that to be applied
19 towards balance, I think the understanding is that that's
20 to be refundable; correct? Did you understand what I'm
21 saying?

22 MS. GRUEN: I don't.

23 MR. WAHNG: Okay. Let me try to make it clear.

24 If the purchase does not go forward the liquid
25 damages for that would be \$99,000.

26 MS. GRUEN: Correct.

27 MR. WAHNG: That's really what I'm trying to get
28 at.

1 THE COURT: Okay. Yes. I think that was
2 contemplated in Ms. Gruen's comments, but that
3 clarification is helpful.

4 So with that clarification you agree now that this is
5 a complete statement of the terms?

6 MR. WAHNG: I am, Your Honor.

7 THE COURT: All right. So, Ms. Gruen, who will
8 be affirming on behalf of the Plaintiff, the Plaintiff's
9 understanding of and commitment to this agreement?

10 MS. GRUEN: My client's chief executive officer,
11 vice chair of sessions and chairman of the building
12 committee, David Weng, W-e-n-g.

13 THE COURT: All right. Mr. Weng, do you
14 understand the agreement that's been stated on the record
15 here this afternoon?

16 MR. WENG: Yes.

17 THE COURT: And do you commit to that on behalf
18 of the Plaintiff?

19 MR. WENG: Yes.

20 THE COURT: So, Pastor Lee, did you hear and
21 understand the terms of the agreement?

22 MR. LEE: Yes.

23 THE COURT: All right. And are you authorizing
24 Mr. Chen to bind the Defendant to this agreement as Ms.
25 Gruen has stated?

26 MR. LEE: Yes.

27 THE COURT: And, Ms. Gruen, did I get that
28 right?

1 MS. GRUEN: You did, Your Honor.

2 I would like for you to confirm that Pastor Lee
3 understands and fully accepts this agreement, and
4 authorizes that it be entered into the record and
5 approved.

6 THE COURT: Okay. Rather than put that question
7 to Mr. Chen?

8 MS. GRUEN: I'd like it to both of them.

9 THE COURT: All right. So this question, I
10 think that's appropriate, is directed to you Pastor Lee,
11 as well as to you Mr. Chen.

12 MR. CHEN: Yes.

13 THE COURT: So the question is whether you have
14 heard and understood the terms of the agreement, and agree
15 on behalf of the Defendant, that the Defendant is bound to
16 those terms?

17 MR. CHEN: Yes.

18 THE COURT: Pastor Lee?

19 MR. LEE: Yes.

20 THE COURT: All right. Any other questioning
21 that any counsel wish?

22 MS. GRUEN: I would ask that John Yu also
23 confirm that this is his understanding and acceptance.

24 MR. THOMAS: I think he's in the hallway.

25 THE COURT: Okay.

26 THE DEPUTY: He left.

27 THE COURT: I question how that is possible
28 since he didn't hear the recitation.

1 MS. GRUEN: Okay.

2 THE COURT: I think we have what we need.

3 All right. So this agreement specifically
4 contemplates that the Court may, on motion enter judgment
5 pursuant to the terms of the settlement, and 664.6 also
6 provides that the Court will retain jurisdiction to
7 accomplish any of this.

8 Any comments or questions?

9 MR. THOMAS: No, Your Honor.

10 This is acceptable to the Defendant.

11 MS. GRUEN: And it's acceptable to the
12 Plaintiff.

13 THE COURT: All right. At this time I'd like to
14 thank all of you who have worked hard and made generous
15 concessions for the purpose of this agreement.

16 I think all counsel have very ably represented
17 clients today, have really done a thoughtful job in
18 helping to reach this agreement. So thank you, counsel,
19 and thank you all who participated.

20 MS. GRUEN: Your Honor, one piece, simply that
21 we will be preparing a written document that embodies
22 this, as well as the stipulated judgment and we would
23 request that counsel review them, sign them, and return
24 them to us within ten days.

25 MR. WAHNG: Reasonable.

26 MR. THOMAS: Yes.

27 THE COURT: Very good. Thank you.

28 We're in recess.

1 MR. WAHNG: Thank you, Your Honor.

2 MR. THOMAS: Thank you.

3 MS. GRUEN: Thank you, Your Honor. Thanks
4 everyone.

5 (Whereupon, the matter was concluded.)

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STATE OF CALIFORNIA)
) ss.
COUNTY OF SANTA CLARA)

I, JULIE T. SERNA, HEREBY CERTIFY: That the foregoing is a full, true and correct transcript of the proceedings had in the above-mentioned action taken;

That it is a full, true and correct transcript of the evidence offered and received, acts and statements of the Court, also all objections of counsel and all matters to which the same relate;

That I reported the same in stenotype to the best of my ability, being the duly qualified and acting Official Court Reporter of said court, and thereafter transcribed the same into typewriting as herein appears.

In said capacity, I have adhered to Code of Civil Procedure Section 237(a)(2), Sixth District Court of Appeal Miscellaneous Order 96-2, by sealing, through redaction, all references to juror-identifying information, including but not limited to names, addresses and telephone numbers.

Dated: _____

Signed: _____

Julie T. Serna, CSR#7890

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