

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

BRIAN JACOBSEN, CONNIE
JACOBSEN, RYAN KILDEA and ARICA
KILDEA,

Plaintiffs,

vs.

MARK DRISCOLL and JOHN SUTTON
TURNER,

Defendants.

No.

COMPLAINT

JURY DEMAND

I. SUMMARY OF FACTS AND CLAIMS

1. Over the course of a number of years, RICO Defendants Mark Driscoll and Sutton Turner, and their co-conspirators, defrauded plaintiffs Brian and Connie Jacobsen and Ryan and Arica Kildea, and thousands of other individuals who made financial contributions to Mars Hill Church (hereinafter, “MHC” or, the “Enterprise”). Driscoll was an executive elder and one of the founders of MHC, a Seattle-based church that had over 13,000 in

1 average Sunday attendance at 15 locations in five states. Turner was MHC general manager
2 from April 2011 through November 2011, after which he became an executive elder. MHC,
3 at all times relevant hereto, was a 501(c)(3) religious nonprofit corporation engaged in, and
4 whose activities affected interstate or foreign commerce.

5
6 2. RICO Defendants, at all times relevant hereto, were employed by MHC, and
7 through a pattern of racketeering activity, conducted or participated, directly or indirectly, in
8 MHC's affairs. Beginning in 2011, or earlier, and continuing through 2014, RICO
9 Defendants and their co-conspirators engaged in a continuing pattern of racketeering activity
10 by soliciting, through the internet and the mail, contributions for designated purposes, and
11 then fraudulently used significant portions of those designated contributions for other,
12 unauthorized purposes. It was a pattern of racketeering activity that extended through a
13 myriad of MHC projects, including the Global Fund, the Campus Fund, the Jesus Festival,
14 and the promotion of Driscoll's book *Real Marriage: The Truth About Sex, Friendship, and*
15 *Life Together* ("Real Marriage").
16

17 3. RICO Defendants' racketeering activities that are the subject of this lawsuit
18 began in 2011 when RICO Defendants and their co-conspirators fraudulently utilized MHC
19 donations and other MHC resources to promote *Real Marriage*. Turner, in his capacity as
20 general manager for MHC, entered into a contract with ResultSource, Inc. ("RSI"), a
21 California based marketing company, to promote Driscoll's book with the goal of securing a
22 place on the New York Times bestseller list. The contract called for the church to pay RSI a
23 \$25,000 fee to arrange for the purchase of at least 11,000 books valued at around \$210,000
24 from a variety of online sources using multiple payment methods. This scheme has been
25
26

1 fairly described as a “scam,” and resulted in personal inurement to Driscoll and Turner.
 2 Donations designated for each of these projects, or in the case of the Real Marriage
 3 campaign, general funds, were used by RICO Defendants and their co-conspirators for
 4 improper purposes.

5 4. A church is not simply a building and programs. MHC was a community of
 6 individuals—non-member attendees who considered MHC to be their church home,¹
 7 members, elders and pastors—who worked together in pursuit of a common mission—to
 8 make disciples and plant churches in the name of Jesus. Needless to say, the four groups are
 9 interdependent and the church cannot function without each of them. However, the RICO
 10 Defendants engaged in a pattern of racketeering activity so deeply embedded, pervasive and
 11 continuous, that it was effectively institutionalized as a business practice, thereby corrupting
 12 the very mission Plaintiffs and other donors believed they were supporting.
 13

14 5. As noted above, MHC was a community, a body that constitutes a whole. So,
 15 when the RICO Defendants engaged in the pattern of racketeering activity as described
 16 herein, a deadly toxin was injected into the MHC body, ending in the complete destruction of
 17 the church,² which, as a result of RICO Defendants’ racketeering activities, was compelled to
 18 close its doors in December 2014. If the Jacobsens and Kildeas had known that the RICO
 19 Defendants and their co-conspirators were engaged in the pattern of racketeering activity
 20
 21

22
 23 ¹ Many MHC non-members donated financially to MHC, they were involved in MHC Community Groups, and
 24 volunteered at the church.

25 ² In a bit of irony, in 2012, MHC’s webpage discussing its governance, had this quote: “It is ultimately Jesus
 26 who closes down churches when they have become faithless or fruitless (Rev. 2:5).”
 (<http://marshill.se/marshall/governance>) (last accessed on February 26, 2016)

herein described, they would not have made MHC their home church, and would never have donated to MHC for any purpose.

6. The RICO Defendants' conduct violates the Racketeer Influenced and Corrupt Organizations Act, 28 U.S.C. § 1961 *et seq.*, with predicate acts of mail and wire fraud, and common law fraud. As a result, Defendants' misconduct has directly injured the Jacobsens and Kildeas, and entitles them to monetary damages to be proven at trial.

II. PARTIES AND RELEVANT NON-PARTIES

A. Plaintiffs

7. Plaintiffs Brian Jacobsen and Connie Jacobsen are married and are residents of King County, Washington. They began attending MHC in April 2008, became members of MHC in January 2010, and resigned their memberships on April 3, 2014.

8. Plaintiffs Ryan Kildea and Arica Kildea are married and are residents of King County, Washington. Ryan Kildea attended MHC from 2001-spring 2013. Arica Kildea attended MHC from 2003-spring 2013. The Kildeas did not formally resign their memberships until March 2014.

B. RICO Defendants

9. At all relevant times herein, the defendants were executive elders at MHC (at MHC, the positions of "elder" and "pastor" were synonymous³) and are the individuals who engaged in a pattern of racketeering activity and, at all times relevant hereto, each participated in the operation or management of MHC, the RICO Enterprise. As part of the

³ See <http://marshall.se/marshall/leadership> ("Jesus calls qualified men to lead his church as elders") (last accessed February 28, 2016)

1 MHC “executive elder team,” RICO Defendants were part of a team that “is a first-among-
 2 equals committee within the Board of Elders and serves as the executive leadership and
 3 management of Mars Hill Church. In so doing, the Executive Elder Team oversees and
 4 manages the day-to-day affairs of the church and ensures execution of the church’s vision,
 5 mission, and strategic objectives. The Executive Elder Team [] consist[ed] of three elders:
 6 Mark Driscoll, Dave Bruskas, and Sutton Turner. The Executive Elder Team [was] elected on
 7 an annual basis by the Full Council of Elders, as part of their election of the Board of
 8 Elders.”⁴

10 10. Defendant Mark Driscoll, held various titles during his tenure at MHC,
 11 including executive elder. Driscoll is now a resident of Maricopa County, Arizona.

12 11. Defendant Sutton Turner, was general manager and then executive elder at
 13 MHC. Turner now resides in San Antonio, Texas.

14 **C. Non-Party Co-Conspirators**

15 12. Certain other non-party individuals and business entities, as set forth below,
 16 played roles, direct or indirect, in RICO Defendants scheme to defraud the Jacobsens,
 17 Kildeas, and other MHC members and non-members who donated monies to MHC in
 18 response to RICO Defendants’ fraudulent solicitations.

20 a. Dave Bruskas.

21 Bruskas became an MHC executive elder in July 2011, and, with
 22 RICO Defendants, participated in the operation or management of MHC. As an MHC
 23

24
 25 ⁴ See <https://web.archive.org/web/20120531232846/http://marshill.com/governance>
 26 (archived MHC webpage explaining how the MHC was governed) (last accessed on

1 executive elder, Bruskas was aware of and participated, either directly or indirectly, in the
2 RICO Defendants' racketeering activities described herein.

3 b. Kerry Dodd.

4 Beginning in December 2011, Dodd was chief financial officer for
5 MHC and participated in the operation or management of the Enterprise. Dodd "spent nine
6 years in the audit group of Deloitte & Touche LLP. In addition, [Dodd] [] compiled a
7 fantactic [*sic*] staff of finance and accounting experts to ensure that Mars Hill stewards the
8 resources God entrusts to us in a way that best honors him [*sic*]." ⁵ As MHC CFO, Dodd was
9 aware of and participated, either directly or indirectly, in the RICO Defendants' racketeering
10 activities described herein.
11

12 c. On Mission LLC, Governing Persons-OMCRU Investments LLC and
13 Lasting Legacy LLC (2013- present) (Governing Person/Manager-Mark Driscoll (2011-
14 2013)).
15

16 On Mission LLC was Incorporated in the state of Colorado (Jan. 28,
17 2011) and registered in Washington (Dec. 12, 2012) to "manage book royalties, printing and
18 publishing." On information and belief, Driscoll placed all, or a portion of the advance he
19 received for *Real Marriage* into On Mission LLC. On Mission LLC participated, therefore,
20 either directly or indirectly, in the RICO Defendants' racketeering activities by serving as
21 RICO Defendant Driscoll's repository for fraudulently obtained MHC funds.
22
23

24 February, 24, 2016). All archived pages cited hereafter indicate the same in their URL.

25 ⁵ See <https://web.archive.org/web/20120819062647/http://marshill.com/governance>
(last visited on February 24, 2016).
26

1 d. On Mission Charitable Remainder Unitrust (“OMCRU”), Trustee-
2 Mark Driscoll.

3 OMCRU owns OMCRU Investments LLC, which owned, at all
4 relevant times hereto, 75 % of On Mission LLC, *see* para. 12(e), *infra*, therefore, OMCRU
5 participated, either directly or indirectly, in the RICO Defendants’ racketeering activities by
6 serving as RICO Defendant Driscoll’s repository for fraudulently obtained MHC funds.

7
8 e. On Mission Charitable Remainder Unitrust Investments LLC
9 (“OMCRU Investments LLC”) was incorporated in Colorado on Sept. 30, 2011, and
10 registered in Washington State on Dec. 6, 2012. Governing Person-On Mission Charitable
11 Remainder Unitrust.

12 OMCRU Investments LLC owned, at all relevant times hereto, 75% of
13 On Mission LLC, *see* para. 12(c), *supra*, therefore, OMCRU Investments LLC participated,
14 either directly or indirectly, in the RICO Defendants’ racketeering activities by serving as
15 RICO Defendant Driscoll’s repository for fraudulently obtained MHC funds.

16
17 f. Lasting Legacy LLC, registered in Washington State on April 17,
18 2012. Member Manager-Mark Driscoll; Grace Driscoll-Member.

19 Lasting Legacy LLC, at all times relevant hereto, owned 25% of On
20 Mission LLC, *see* para. 12(c), *supra*, therefore, Lasting Legacy LLC participated, either
21 directly or indirectly, in the RICO Defendants’ racketeering activities by serving as RICO
22 Defendant Driscoll’s repository for fraudulently obtained MHC funds.

1 g. Resurgence Publishing, Inc. A for profit corporation that was
2 registered in Washington State on May 17, 2012. Governing Person-Sutton Turner.
3 Resurgence Publishing, Inc. became inactive on Sept. 1, 2015.

4 On information and belief, RICO Defendants and their co-conspirator
5 Bruskas all signed an MHC Resolution which provided that, that Turner was authorized and
6 directed to enter into a Services Agreement and Trademark Licensing Agreement (with
7 Resurgence Publishing, Inc.) on behalf of MHC. Resurgence Publishing, Inc. participated,
8 either directly or indirectly, in the RICO Defendants' racketeering activities by receiving
9 financial benefit from the *Real Marriage* campaign which, as is set forth in detail herein, was
10 financed by the fraudulent use of MHC donations.

11 h. Evangelical Council for Financial Accountability ("ECFA"),
12 Winchester, Virginia.

13 (1) On its website, ECFA states: "Founded in 1979, ECFA
14 provides accreditation to leading Christian nonprofit organizations that faithfully demonstrate
15 compliance with established standards for financial accountability, transparency, fundraising,
16 and board governance. Collectively, these organizations represent over \$25 billion in annual
17 revenue."⁶

18 (2) ECFA also claims that "[m]embership in ECFA contributes to
19 the integrity and image of the entire Christian community. The greater the credibility of the
20 individual member organization, the greater its contribution to the total membership. That the
21 image of Christian ministry has been scarred by the actions of a few organizations is
22
23
24
25
26

undeniable. However, membership in ECFA is a powerful statement that a ministry acts responsibly and honors its commitment to accountability.”⁷

(3) ECFA recognized that “[i]t’s not always easy to earn people’s trust. Just as people are more likely to trust an accredited college or a product with the Good Housekeeping seal, donors are more likely to share their resources with an organization they believe to be trustworthy. ECFA enhances trust in Christ-centered churches and ministries by establishing and applying ECFA’s Seven Standards of Responsible Stewardship™ to accredited organizations.”⁸

(4) In its 2012 Annual Report, MHC printed the following announcement by ECFA: “We are pleased to welcome Mars Hill Church as ECFA’s 1,700th member. By meeting the stringent criteria ECFA applies to all applicants, this certifies to supporters of the church and the public that Mars Hill meets the highest standards of financial ethics, faithfulness, and accountability.” (Quoting Dan Busby, President, ECFA)”⁹

(5) In a September 20, 2012 post to its website, ECFA featured MHC and this quote from Driscoll: “At Mars Hill, we are dedicated to utilizing the resources entrusted to us in faithful adherence to our mission to make disciples and plant churches in the name of Jesus. In proactively submitting ourselves to the scrutiny of ECFA, we openly state our commitment to proclaim Jesus to our communities with utmost ethical honor.”¹⁰

⁶ See <http://www.ecfa.org/Content/About> (last accessed on February 26, 2016).

⁷ See <http://www.ecfa.org/Content/Benefits> (last accessed on February 26, 2016).

⁸ *Id.*

⁹ See <http://marshall.se/marshall/annual-report-2012> (last accessed on February 26, 2016).

¹⁰ See <http://www.ecfa.org/Content/Mars-Hill-Church-Most-Recently-Accredited-Church> (last accessed on February 26, 2016).

(6) At all times relevant hereto, from September 2012 forward, ECFA accredited MHC in spite of RICO Defendants' ongoing and habitual pattern of racketeering activity involving RSI, the Global Fund, Campus Fund, and the Jesus Festival.

(7) ECFA's accreditation of churches is, at best, a rubber stamp. In view of RICO Defendants' fraudulent conduct detailed herein, it is inconceivable that ECFA would have accredited MHC and held it out to the public as meeting "the highest standards of financial ethics, faithfulness, and accountability."

(8) As a result of ECFA's ringing endorsement and declaration that MHC met the highest standards of financial ethics, faithfulness, and accountability, the Jacobsens, Kildeas, and thousands of other donors continued to be deceived, making donations to MHC they would never have made if ECFA had disclosed RICO Defendants' wrongdoing, rather than making a "a powerful statement" that MHC "acts responsibly and honors its commitment to accountability."

i. Dan Busby. President, ECFA.

(1) In a June 2014 "Confidential Memo"¹¹ from Turner to "Lead Pastors," Turner states that he, another MHC pastor, and the MHC auditor from FY11, FY12, and FY14,¹² had a 2 ½ hr. meeting with Busby. In the memo, Turner indicates that the meeting was prompted because, "[a]s many of you are probably aware, critics started

¹¹ See Warren Throckmorton, The Behind The Scenes Mars Hill Global Maneuvers, available at <http://www.patheos.com/blogs/warrenthrockmorton/2016/02/29/the-behind-the-scenes-mars-hill-global-maneuvers/> (last accessed on February 29, 2016) (the confidential memo is posted in the article).

¹² There is no mention in the memo that the auditor for FY13 was present at the meeting.

1 blogging back in April that Mars Hill was deceptive in our fundraising under Mars Hill
2 Global. This triggered an investigation in May that completed yesterday.”

3 (2) The memo continued, “[a]fter [Busby] presented his ECFA’s
4 [sic] findings, Pastor Anthony and I presented our pre-planned proposed solution, which he
5 thought 100% solved the current issue. He said that the changes that we made in April with
6 videos, changes to the giving page, etc. were great and he would not do anything differently.
7 ECFA will be linking to our FAQs and put out a brief statement saying we are a “Member in
8 Good Standing.” ECFA did in fact state that MHC was a member in good standing. Busby
9 disregarded ECFA’s avowal that its Seven Standards of Responsible Stewardship¹³ “are not
10 standards that allow for grading on the curve. Rather, they are pass-fail standards. ECFA
11 members must comply with all of the standards, all of the time.” Busby knew MHC failed the
12 test, yet he deliberately deceived MHC donors by declaring MHC to be a “Member in Good
13 Standing.”
14

15
16 (3) In his “Confidential Memo,” Turner also stated that “ECFA,
17 our auditors, and Board of AA [Board of Advisors and Accountability], have full access to
18 this information, but it will not be made public.”

19 (4) Busby and ECFA conspired with RICO Defendants to deceive
20 MHC donors from the start when they told them that “by meeting the stringent criteria ECFA
21 applies to all applicants, this certifies to supporters of the church and the public that Mars
22 Hill meets the highest standards of financial ethics, faithfulness, and accountability.”
23
24

25 ¹³ See <http://www.ecfa.org/Content/Standards> (last accessed on February 28, 2016)
26

(5) Busby and ECFA, in furtherance of their conspiracy with the RICO Defendants disregarded their “Seven Standards of Financial Stewardship” that they publicly proclaimed on the ECFA website. For example, Standard 7.1 requires: “In securing charitable gifts, all representations of fact, descriptions of the financial condition of the organization, or narratives about events must be current, complete, and accurate. References to past activities or events must be appropriately dated. There must be no material omissions or exaggerations of fact, use of misleading photographs, or any other communication which would tend to create a false impression or misunderstanding.” As demonstrated herein, RICO Defendants continuously violated every requirement of Standard 7.1, the only exception being, perhaps, that their references to past activities were “appropriately dated.”¹⁴

(6) Busby and ECFA, in furtherance of their conspiracy with the RICO Defendants also disregarded Standard 7.2 which requires that “[s]tatements made about the use of gifts by an organization in its charitable gift appeals must be honored. A giver’s intent relates both to what was communicated in the appeal and to any instructions accompanying the gift, if accepted by the organization. Appeals for charitable gifts must not create unrealistic expectations of what a gift will actually accomplish.”¹⁵

j. ResultSource Inc. (RSI), San Diego, CA.

(1) RSI contracted with MHC to conduct a bestseller campaign for Driscoll’s book, *Real Marriage* on the week of January 2, 2012. The bestseller campaign was intended to place *Real Marriage* on The New York Times bestseller list for the Advice How-

¹⁴ See *id.*

¹⁵ See *id.*

1 To list. RSI also promised to help place *Real Marriage* on the Wall Street Journal Business,
 2 USA Today Money, BN.com (Barnes & Noble), and Amazon.com best-seller lists. RSI
 3 participated, either directly or indirectly, in the RICO Defendants' racketeering activities by
 4 contacting with MHC, and receiving financial benefit from fraudulently obtained MHC
 5 donations to promote Driscoll's book, *Real Marriage*.

6
 7 (2) According to the terms of the contract between RSI and MHC,
 8 "RSI will be purchasing at least 11,000 total orders in one-week." The contract called for the
 9 "author" to "provide a minimum of 6,000 names and addresses for the individual orders and
 10 at least 90 names and address [sic] for the remaining 5,000 bulk orders. Please note that it is
 11 important that the make up of the 6,000 individual orders include at least 1,000
 12 different addresses with no more than 350 per state."

13
 14 (3) The scheme described in the contract was meant to outsmart
 15 systems put in place by the New York Times and other list compilers to prevent authors from
 16 buying their way onto best-seller lists. RSI used other techniques to work around the
 17 safeguards of the best-seller lists. According to its agreement with Mars Hill, "RSI will use
 18 its own payment systems (ex. gift cards to ensure flawless reporting). Note: The largest
 19 obstacle to the reporting system is the tracking of credit cards. RSI uses over 1,000 different
 20 payment types (credit cards, gift cards, etc)."¹⁶ *Real Marriage* topped the New York Times'
 21 hardcover advice bestseller list on Jan. 22, 2012. The following week, it was gone.

22
 23
 24
 25 ¹⁶ Warren Cole Smith, Unreal sales for Driscoll's *Real Marriage*, available at
 26 http://www.worldmag.com/2014/03/unreal_sales_for_driscoll_s_real_marriage

1 13. At all relevant times, each and every non-party co-conspirator named in the
 2 foregoing paragraph was acting in concert with, or as an agent for, one or more of the RICO
 3 Defendants and, further, as described in detail below, conspired with one or more of the
 4 RICO Defendants to perform or authorize the acts averred herein.

5 **III. SUBJECT MATTER JURISDICTION AND VENUE**

6 14. This Court has subject matter jurisdiction over the Jacobsen's claims under 28
 7 U.S.C. §§ 1331, and under 18 U.S.C. § 1964(c). The Jacobsen's' first claim for relief arises
 8 under 18 U.S.C. § 1961 *et. seq.*, as herein more fully appears. Plaintiffs' state law claim
 9 arises out of the same case or controversy as their federal law claims, as all claims in this
 10 action arise out of a common nucleus of operative facts. Thus, this Court also has
 11 supplemental jurisdiction over the Jacobsen's state law claims under 28 U.S.C. § 1367.

12 15. Venue is proper in this District under 28 U.S.C. § 1391(b)(2), as a substantial
 13 number of the events giving rise to this action occurred in this District. Venue is also proper
 14 under 18 U.S.C. § 1965.

15 **IV. FACTUAL BASIS FOR CLAIMS**

16 16. This Complaint details how MHC RICO Defendants, together with their co-
 17 conspirators, brought to ruin a once thriving church¹⁷ by fraudulently exploiting the trust,
 18 generosity, and sense of community of thousands of people. RICO Defendants and their co-
 19 conspirators induced plaintiffs and countless others to donate millions of dollars to various
 20 MHC projects/missions, believing that their donations would be used as they had designated.

21
 22
 23
 24
 25

 26 ¹⁷ The last sermon preached at MHC occurred on December 28, 2014. MHC is still

1 Instead, their designated donations were fraudulently used by RICO Defendants and their co-
 2 conspirators for purposes not intended. Together, with the fraudulent representations about
 3 how designated donations would be used, RICO Defendants and their co-conspirators
 4 fraudulently authorized the use of MCH donations to promote Driscoll's book, *Real*
 5 *Marriage*, with earnings from the sales of *Real Marriage* inuring to the benefit of Driscoll
 6 and Turner.

8 17. MHC, a non-profit charitable religious corporation at all relevant times hereto,
 9 was subject to the provisions of IRC 501(c)(3), which provides that exemption from federal
 10 income tax for organizations that are "organized and operated exclusively" for religious,
 11 educational, or charitable purposes is conditioned on the organization being one "no part of
 12 the net income of which inures to the benefit of any private shareholder or individual."

13 18. And though it creates no private right of action, RICO Defendants fraudulent
 14 conduct violated RCW 19.09.100(15), which provides: Any entity soliciting contributions for
 15 a charitable purpose must not include in any solicitation, or in any advertising material for a
 16 solicitation, or in any promotional plan for a solicitation, any statement that is false,
 17 misleading, or deceptive. All solicitations, advertising materials, and promotional plans must
 18 fully and fairly disclose the identity of the entity on whose behalf the solicitation is made."

21
 22
 23
 24
 25 shown as "Active" on the website for the Washington Secretary of State. *See*
 26 [https://www.sos.wa.gov/corps/search_results.aspx?search_type=simple&criteria=all&name_type=contains&name=Mars+hill+church&ubi=Washington Secretary of State](https://www.sos.wa.gov/corps/search_results.aspx?search_type=simple&criteria=all&name_type=contains&name=Mars+hill+church&ubi=Washington+Secretary+of+State) (last accessed on February 28, 2016).

A. Global Fund Promoted as a Fund for International Missions, but RICO Defendants Diverted Majority of Global Fund Donations to MHC Expansion

19. There was a time when the RICO Defendants did not entirely conceal from potential donors the fact that their donations to Mars Hill Global would be going primarily to the expansion of domestic programs and not to international missions as the name suggested. For example, in a May 7, 2009 post by Jamie Munson (then an executive pastor of MHC), as well as in the MHC 2009 Annual Report released on August 5, 2009, Mars Hill Global was described as being launched to communicate the expansion plans of MHC, Acts 29, and Resurgence “to change people around the world.” In November 2011, however, the RICO Defendants and their co-conspirators decided that if they wanted to avoid the “fiscal cliff” that MHC was heading toward, it would be necessary to create a “new financial model”; that new model included tapping into MHC’s “sleeping giant” of potential global donors. To woo these new donors, though, RICO Defendants and their co-conspirators intentionally deceived all potential donors by marketing Global Fund as a fund for international missions, when, in fact, they intended to use the majority of the donations for domestic expansion of MHC.

1. Don’t tell the Public that we will only be giving a small percentage of Global Fund Donations to support the Pastors and Missionaries in the Third World

20. In November of 2011, the month Turner became an executive pastor at MHC, an internal memo was distributed detailing the RICO Defendants’ strategy to raise funds for MHC expansion under the guise of raising funds for international missions. The memo states, in pertinent part:

- The vision and activities connected to the Global Fund must focus on reaching the worldwide church. As a person sits in front of his

1 computer in Qatar, London, Cape Town, or Sydney, he does not care
 2 about Mars Hill planting in Everett. As an international citizen,
 3 however, he cares greatly about global evangelism, global missions,
 4 global causes for Jesus, global church-planting, etc. Though the
 sentiment is rare among Americans, people abroad feel a sense
 belonging and kinship with the global community.

- 5 • Of the money that comes into the Global Fund, designate a fixed
 6 percentage internally for highly visible, marketable projects such as
 7 mission trips, orphan care, support for pastors and missionaries in the
 8 third world, etc. (ten to fifteen strategic operations in locations where
 9 Mars Hill wants to be long term). This percentage should be flexible
 10 (not a “tithe”), and not communicated to the public. Support for Mars
 11 Hill Global would be support for Mars Hill Church in general, but the
 12 difference and the draw would be that a portion of Global gifts would
 13 also benefit projects that spread the gospel and serve the needs of
 14 people around the world.
- 15 • Every podcast would begin with a 10-second spot from Pastor Mark,
 16 inviting people to come on mission with Mars Hill Global to spread
 17 the gospel and help the helpless. This message would promote the
 18 Mars Hill Global giving website.
- 19 • The Global Fund could be beneficial in a number of ways, besides the
 20 obvious gain of increased funding:
 - 21 • For a relatively low cost (e.g. \$10K/month), supporting a few
 22 missionaries and benevolence projects would serve to deflect
 23 criticism, increase goodwill, and create opportunities to influence and
 24 learn from other ministries.
 - 25 • Many small churches who may consider joining Mars Hill hesitate
 26 because they do not believe we support “missions.” While we need
 to continue to challenge the assumptions underlying a claim, the
 Global Fund would serve as a simple, easy way to deflate such
 criticism and help lead change in these congregations.
 - The ability to communicate and interact with supporters of Mars Hill
 Global provides an avenue for promoting events, recruiting leaders,
 and developing Mars Hill core groups in strategic cities.

21. Beginning in 2012, video footage of the “highly visible” mission projects, those in Ethiopia and India, was regularly played prior to sermons as commercials for the MHC Global Fund. The sermons were also made available on the MHC website.

22. In a video that precedes every sermon on the Mars Hill website from November 24, 2013 to April 27, 2014, Turner stated that both Mars Hill members and those who watch online should give to Mars Hill Global. In the video, Turner says,

Howdy Mars Hill Church, Pastor Sutton Turner here and I’m in Ethiopia, and I just want to thank Jesus for continuing to use Mars Hill Church to make disciples and plant churches. Mars Hill Global is the arm of Mars Hill Church that makes disciples and plant churches all over the world. We not only do church planting, but we help better equip church planters. Most recently, we shipped and now distributed a thousand Bibles into Amharic which is the language here in Ethiopia, and we launched a project to translate Pastor Mark Driscoll’s Doctrine book into Spanish. We have people from over 29 different countries that are giving on a monthly basis to Mars Hill Global.

So whether you’re a member of one of our Mars Hill Church locations in the United States or you’re one of 100,000 podcasters every single week, we encourage you to pray about giving above and beyond your tithe to Mars Hill Global. Thank you and let’s see more materials translated, more pastors sent out, more churches planted, and more people saved by Jesus Christ.

23. During the period from 2012 through June 20, 2014, thirty of the thirty-three videos promoting the Global Fund on the MHC website featured videos that focused exclusively, or almost exclusively on Ethiopia or India.

24. In 2012, MHC began referring to Mars Hill Global as the arm of the church that did missions, and on its website Global Fund was listed as a giving option.

25. In the June 2014 Confidential Memo, *see* para. 12(i), *supra*, Turner wrote, “During this current season where our church and our integrity are taking a beating in the public, we are going to be pushed into conversations around the word ‘transperancy.’ There are two questions that will be thrown around”:

- ‘How much money did Mars Hill send to Ethiopia & India?’ Meaning the questioner wants to know where everything is spent.
- The second ‘What is the compensation of our pastors?’

Turner’s response: “We will not respond to these two questions.”

2. RICO Defendants avoided the “fiscal cliff” by moving to a new “financial model,” one designed to redirect Global Fund donations to MHC expansion without notifying Global Fund donors

25. It turned out that the decision to market the Global Fund as fund for spreading the gospel in Ethiopia and India was wildly successful. In a “A Letter From Pastor Mark Driscoll,” dated January 25, 2013, and addressed to “friends and family of Mars Hill Church,” Driscoll wrote about how MHC avoided “its own fiscal cliff,” by “moving to a new financial model”. Driscoll continued, “one of the bright spots in all of this [] is that more and more giving is now coming from our extended family. People around the world are not only listening to our sermons and praying for our ministry, but they’re also giving to support what God is doing through our church. On a monthly basis, giving from Mars Hill Global now equals the giving at our largest churches. And over 2,000 people from outside our church have created an account at MarsHill.com.” In an October 11, 2013 post on the MHC website, Turner reported that “[t]he monthly giving from our extended family of Mars Hill Global has grown from \$18,000 to \$157,000 in the last two years.”

26. By May 2014, the Global Fund was taking in about \$300,000 monthly.¹⁸

¹⁸ Warren Throckmorton, “Mega Church Methods: Mars Hill Global Wakes the Sleeping Giant” posted May 14, 2014 at <http://www.patheos.com/blogs/warrenthrockmorton/2014/05/14/megachurch-methods-mars-hill-global-wakes-the-sleeping-giant/> (last accessed February 22, 2016).

27. According to the MHC 2013 Annual Report, Mars Hill Global was a fund designed to help spread the Gospel internationally:

MARS HILL GLOBAL

Mars Hill Global is how we as a church participate in the worldwide mission of Jesus.

- We work with in-country partners to train pastors and plant churches in various countries.
- We translate resources so that people from more cultures can have access to Bible teaching.
- We freely distribute sermons, Bibles, and other materials with as many people as possible, online or in-person.

Sign up for a Global account and support the mission at marshill.com/global.

1,000

Number of translated Amharic Bibles handed out in Ethiopia

28. According to the 2013 Annual Report, the first full year of the undisclosed redefinition of the Global Fund, nearly \$2.3 million was donated to the Fund in the fiscal year from July 2012 to June 2013, however, disbursements from that fund were not reported, nor have they ever been made public.

29. In the FY 2013 Annual Report, the only projects listed under MHC Global were international missions' projects.

30. Though disbursements from Global Fund are not reported, it appears from the information that is in the 2013 Annual Report that only \$120,000 (5 percent) of the \$2.3 million raised for international missions was actually sent overseas.

1 **3. Global Fund scrubbed from MHC website**

2 31. On May 14, 2014, Warren Throckmorton, a Grove City College professor and
3 investigative blogger at Patheos.com, posted on his blog an article entitled, *Mega Church*
4 *Methods: Mars Hill Global Wakes the Sleeping Giant*.¹⁹ Throckmorton's article was the first
5 to expose the Global Fund as a revenue generator for MHC, rather than a fund for global
6 missions.
7

8 32. Sometime in May 2014, after Throckmorton's article was posted, Global Fund
9 was scrubbed from the MHC website.

10 33. Prior to Throckmorton's May 2014 article, MHC's website allowed donors to
11 designate gifts to the Mars Hill Global Fund which was distinct from the Mars Hill General
12 Fund. After Global Fund was scrubbed from the website, donations could only be made to the
13 general fund.
14

15 **4. RICO Defendants knew from the start that donations to the**
16 **Global Fund were restricted and could not be used for**
17 **unrestricted purposes**

18 34. On October, 1 2014, Throckmorton posted the November 2011 memo that
19 detailed the RICO Defendants and co-conspirators strategy to raise funds for MHC expansion
20 under the guise of raising funds for international missions. Within a week of the posting,
21 MHC communications director, Justin Dean, was asked about the legitimacy of the memo
22 posted on Throckmorton's blog. Dean responded by saying,

23 The memo posted on that blog is not an official memo or active working
24 document, and to the best of my knowledge it never was. I'm not sure where it

25 ¹⁹ See <http://www.patheos.com/blogs/warrenthrockmorton/2014/05/14/megachurch-methods-mars-hill-global-wakes-the-sleeping-giant/>
26

1 came from. Most likely it was a doc somebody on staff made as a proposal and
 2 it never went anywhere from there. I'd be happy to answer any questions you
 3 have about Global. Obviously it was never our intention to deceive donors,
 4 and to date we have received very few comments from actual donors who
 5 have been confused.

6 35. After receiving Dean's explanation, the interrogator went to the Global FAQ
 7 page and reproduced this paragraph:

8 Where have past gifts been used? During fiscal years 2009-2014, over
 9 \$10MM dollars has been given to Mars Hill Church by the Mars Hill Global
 10 Family. During that same time period \$22.48MM has been spent on church
 11 planting in the US, India and Ethiopia. In 2009-11 over 80% of funds given by
 12 the Mars Hill global family went to Acts 29 church planting and funds were
 13 consistently spent in India for church planting in each of those years. In 2012-
 14 2014 expenditures for church planting efforts in India and Ethiopia were
 15 increased with the preponderance of expenses related to church plants and
 16 replants in the U.S.

17 36. In reference to the above paragraph, Dean was asked:

18 I couldn't tell from the FAQ on what the church spent on missions from 2012-
 19 14 and where it was spent. Is it possible to break down the yearly giving for
 20 those years to the Global Fund and what it was spent on?

21 37. Dean replied:

22 Despite what you may have read on blogs, we never had a separate fund for
 23 Global so we don't have separate accounting for Global. We have used some
 24 confusing communications in the past, and have done much to correct that, but
 25 Global has never been a designated fund. We do spend money on church
 26 planters in Ethiopia and India (as indicated in the FAQ), but we don't provide
 specific accounting of our different expenses. Just like we don't provide how
 much we specifically spent on pens and tape, we don't break out other
 expenses. I hope that makes sense.

37. It was then pointed out to Dean that Rachel Macor, a former staffer in Mars
 Hill finance department, had recently stated,

I believe that Mars Hill leadership knew from the start that donations to the
 Global Fund were restricted and could not be used for unrestricted purposes.
 In fact, there was a separate account for Global in the books to note this

1 distinction. During my time in the Finance Department, there was a pointed
2 emphasis to be sure that restricted funds were not co-mingled with general
3 funds. I believe that among the Financial Leadership Team (which includes
4 multiple CPA-level staff, who would know all the ins and outs of restricted
5 and unrestricted donations), there was a clear awareness that any restricted
6 funds could not be directed to the general fund. Without a doubt in my mind,
7 Mars Hill leadership knew what they were doing.”

8 39. Dean was also reminded that “[t]here is a drop-down menu that lists the
9 Global Fund as a fund separate from the General Fund, Campus Fund, Easter Fund, etc.
10 Additionally, this video shows the Giving page on the Mars Hill website (pre-May 2014) that
11 also lists the Global Fund as separate from the General Fund.” *See*
12 https://www.youtube.com/watch?feature=player_embedded&v=a4EFX3-RXyg (last accessed
13 February, 23, 2016).

14 40. After being confronted with the fact there was a separate Global Fund
15 Account, Dean responded, “I was incorrect to say we never had a separate fund setup for
16 Global.” He went on to claim that, “[t]he details of this issue can be confusing, I was
17 confused as well and I gave you a wrong answer, and I apologize. I have done some checking
18 and prior to 2012 we did have a separate fund. However, since 2012 we have not had a
19 designated fund for missions work or international church planting. Beginning in 2012 the
20 term ‘Global Fund’ was used on our website to distinguish between global donors and local
21 church donors. We realized the terminology used was confusing so we changed it to “General
22 Fund (Local & Global).”

23 41. Dean admitted, then, that beginning in 2012, the RICO Defendants placed
24 donations designated for the Global Fund into the “general fund,” but failed to inform donors
25 of that critical fact.
26

B. RICO Defendants Scam NYT Bestseller List for Driscoll Book using MHC Donations to Pay for the Scam

42. In a June 27, 2011 email from Kevin Small from ResultSource, Inc. (RSI) Jamie Munson, a former MHC executive pastor, was described as working with “his elder board to determine if they can and will hire ResultSource.” In the same email thread, Driscoll was described as being at “Thomas Nelson all day Friday in meetings with the Thomas Nelson team. Rick Sprull at Nelson has told us that they will cooperate with Mars Hill and ResultSource to make the program work.”

43. In September 2011, Driscoll was asked whether he “would like to proceed with the Real Marriage giving campaign.” The Real Marriage giving campaign would promote his book, *Real Marriage*, by getting it on the New York Times bestseller list. The means used to accomplish that end would be dubious at best, and the expenditure of MHC funds to promote the project would be fraudulent and in violation of IRS regulations, so an internal memo weighing the pros and cons of the undertaking was prepared to help Driscoll reach a decision:

Com

Communication

Real Marriage Giving — One Page

This document is designed to show the two main questions that will help Pastor Mark decide whether he would like to proceed with the Real Marriage giving campaign. It is one of our goals to serve Pastor Mark the best—we believe in him as a leader and want to increase his influence for the good of the church and the Kingdom.

QUESTIONS**IS IT OKAY FOR MARS HILL TO TAKE A FINANCIAL RISK WITH THE GIVING CAMPAIGN?**

- If we decide to go full bore on the NYT campaign it would mean committing to 11,000 copies of the book. Of that at least 4,000 must be in bulk purchases, which we would have to sell through our bookstores or find organizations that would buy in bulk.
- If we do a less ambitious campaign the only risk we'd have to take on is not recouping the \$30,000 consulting fee from result source (This is assuming that we have a minimum donation of > \$20). The maximum loss on this would be only \$30,000.
- For context of the effectiveness of the giving campaign: if we were able to have a huge success and 11,000 people gave an average of \$25 Mars Hill would only have a profit of \$17,300 out of a total of \$275,00 brought in.

IS IT ACCEPTABLE FOR MARS HILL TO PAY \$20 FOR A BOOK WHEN ON MISSION IS PURCHASING THEM FOR \$7 FOR THE REAL MARRIAGE EVENTS?

- If this information was ever made public it could be viewed by the IRS or someone muckraking that a large giving campaign was set up for the personal profit of Mark Driscoll.
- As a result of this giving campaign you will make a royalty of everyone of the books that is given away. So in a sense it could be conjectured that you're making money directly off of a Mars Hill fundraiser.

44. The memo asks: “Is it OK for Mars Hill to take a financial risk with the giving campaign?,” and “Is it acceptable for Mars Hill to pay \$20 for a book when on mission is purchasing them for \$7 for the ‘Real Marriage’ events?” The memo concludes by warning, “[i]f this information was ever made public it could be viewed by the IRS or someone

1 muckraking that a large giving campaign was set up for the personal profit of Mark Driscoll”
 2 and “[a]s a result of this giving campaign, you will make a royalty of [sic] every one of the
 3 books that is given away. So in a sense it could be conjectured that you’re making money
 4 directly off of a Mars Hill fundraiser.”

5 45. Undeterred by the warning, RICO Defendants and MHC forged ahead with the
 6 Real Marriage giving campaign. On information and belief, RICO Defendants and co-
 7 conspirator Bruskas all signed an MHC Resolution which provided that, that Turner was
 8 authorized and directed to enter into a Services Agreement and Trademark Licensing
 9 Agreement (with Resurgence Publishing, Inc.) on behalf of MHC.
 10

11 46. Turner is listed as the governing person for Resurgence Publishing, Inc., a
 12 for profit corporation .

13 47. Turner signed the contract with RSI on October 17, 2011.²⁰

14 48. The contract states that RSI was engaged “to conduct a bestseller campaign for
 15 your book, *Real Marriage* on the week of January 2, 2012,” and “[t]he bestseller campaign is
 16 intended to place *Real Marriage* on the New York Times bestseller list for the Advice How-
 17 To list.” “Additionally, RSI will work to put *Real Marriage* on The Wall Street Journal
 18 Business Best Seller list, and on the USA Today Money list, BN.com and Amazon.com
 19 bestseller list.
 20

21 49. According to the terms of the contract between RSI and Mars Hill, “RSI will
 22 be purchasing at least 11,000 total orders in one-week.” The contract called for the “author”
 23
 24

25 ²⁰ <http://wp.patheos.com.s3.amazonaws.com/blogs/warrenthrockmorton/files/2014/03/RSIMHCCContract.png>
 26 (last accessed on February 26, 2016).

1 to “provide a minimum of 6,000 names and addresses for the individual orders and at least 90
2 names and address [sic] for the remaining 5,000 bulk orders. Please note that it is important
3 that the make-up of the 6,000 individual orders include at least 1,000 different addresses with
4 no more than 350 per state.”

5 50. The purpose of the instructions regarding the names and addresses was to
6 outsmart systems put in place by The New York Times and other list compilers which are
7 intended to prevent authors from buying their way onto bestseller lists. RSI also managed the
8 payments for the books in order to work around the safeguards of the bestseller lists. The
9 largest obstacle set up by the bestseller reporting system is the tracking of credit cards. To get
10 around that, RSI used over 1,000 different payment types (credit cards, gift cards, etc.).

11 51. The contract called for MHC to pay RSI a fee of \$25,000. In addition, MHC
12 also paid for the purchase of at least 11,000 books. The 6,000 individual orders identified in
13 the contract had to be purchased from retail outlets at the retail price of \$20 or more in order
14 for the books to show up in the New York Times sales count. The books in the bulk orders,
15 according to the contract, would have cost \$18 or more. If Driscoll had exercised his option
16 to purchase bulk quantities, his discounted price would have been \$7.

17 52. The copyright to Driscoll’s book, *Real Marriage*, is owned by On Mission
18 LLC (Driscoll, Manager), which is 75 percent owned by On Mission CRUT (Driscoll,
19 Trustee), and 25 percent owned by Lasting Legacy LLC (Driscoll, Manager). Moreover, for
20 the 2012 tax year, On Mission CRUT reported income of \$464,340, which, on information
21 and belief, includes, at least in part, Driscoll’s advance for *Real Marriage* from the publisher.
22
23
24
25
26

53. In late November 2011, just five weeks before the release of *Real Marriage*, Driscoll met with MHC's Community Group leaders to brief them on how they could help promote what was described as a "Real Marriage campaign."²¹

54. In addition to the fraudulent use of MHC donor funds for the *Real Marriage* campaign, RICO Defendants fraudulently employed other MHC resources as well: MHC staff gathered the over 6,000 addresses MHC was required by contract to provide to RSI. MHC media and communications staff was also used to promote *Real Marriage*, including scheduling and servicing speaking engagements, all on church time.

55. In December 2011, as part of the RSI campaign, MHC implemented a Real Marriage donation promotion by creating a web page where donors could obtain a copy of *Real Marriage* in exchange for a minimum \$25 contribution.²²

56. In March 2014, writing for World Magazine, Warren Cole Smith exposed RICO Defendants role in using MHC funds to scam the New York Times bestseller list.²³

C. \$2.99 Million Raised in Targeted Campaign for MHC Projects, But of all the Web Postings Promoting the Campaign, Only One Website Post, Buried in a Footnote, Disclosed to Donors that All Gifts to the Campaign Were Considered Donations to the General Fund

57. In the fall of 2013, MHC conducted a large fundraising drive that was part of a time of communal prayer. Between October 11 and December 29, 2013, there were a great number of web posts to the MHC website, the primary means of communicating to MHC

²¹ See <http://www.pajamapages.com/mark-driscoll-prepared-hundreds-of-mars-hill-leaders-to-push-push-push-his-book/>

²² See http://web.archive.org/web/20111127143332/http://realmarriagebook.com/index.php?route=product/product&filter_name=real&product_id=50 (last accessed February 26, 2016)

members and attendees, promoting the Drive. The following are excerpts from some of those posts:

a. October 11, 2013 – Family Update at the Vision Breakfast: “Driscoll “shared his vision for an outreach event to be held next August, tentatively titled Jesus Festival. The event will be geared toward worship and evangelism with the hope of Christians bringing their non-Christian friends to hear the gospel proclaimed. Think Easter in the summer.”

b. November 17, 2013 – 40 Days of Prayer Book: “In the summer of 2014, Mars hill will be hosting an evangelistic, outdoor outreach, aptly titled The Jesus Festival, at Marymoor Park in Seattle. This will be a family event with activities for the kids, music, and amazing gospel preachers. This will be a great opportunity for outreach in the community and to build unity among the Bible-teaching churches in the Seattle area.”

c. November 19, 2013 – The Next Season at Mars Hill: God is opening Awesome Doors: “Malachi teaches that God is a generous giver who requires generosity from his people—not as an empty religious gesture, but as an act of sincere, liberating worship. During this season , we as a church will be raising money—above and beyond our normal budget—to help fund a few special projects related to the long-term health of our church legacy:

- New homes for church families: January 12, 2014, is a huge day! We’ll be opening new buildings for Mars Hill Church in Tacoma, Everett, Olympia,

²³ Warren Cole Smith, “Unreal sales for Driscoll’s *Real Marriage*” posted March 5, 2014 at http://www.worldmag.com/2014/03/unreal_sales_for_driscoll_s_real_marriage (last accessed February 22, 2016).

1 and Huntington Beach, and it's the grand opening for Mars Hill Phoenix. On
2 that day, we also launch the book of James.

3 • Christian education: In the coming year, we'll be partnering with two
4 universities to offer an accredited undergraduate and graduate education in
5 Bellevue, primarily to equip young men and women heading out into a world
6 where Christians are an increasingly despised minority.

7 • Jesus Festival: On August 22, we'll host our first-ever Jesus Festival at
8 Marymoor Park near Seattle. Everyone at Mars Hill churches far and near is
9 invited for this unique opportunity to grow together and evangelize within the
10 surrounding community. Fun for kids, music, gospel preaching, baptisms, and
11 good times at no charge because it's always good to practice for the kingdom
12 with a party!

13 • Mars Hill Global: In 2014, we plan to support 20 additional church planters
14 in Ethiopia, and 10 additional church planters in India—73 overall, for a
15 legacy that extends beyond our own congregation and country.”

16 We'll have much more to share about these projects in the coming weeks. Go
17 to marshill.com/give to give online and setup recurring giving for 2014. We are asking the
18 people of Mars Hill to give an additional \$2 million above and beyond normal giving by the
19 end of 2013 to make all this happen. Please pray about what your portion is and pray for
20 everyone to do their part.”

21 d. November 20, 2013 – Family Update at the Vision Breakfast Hosted in
22 Everett: “Then in August, we will have our first ever Jesus Festival, bringing thousands
23 more to Marymoor Park in Redmond, Washington for a time of family fun, worship, and
24 gospel preaching.”

25 e. November 24, 2013 – Mark Driscoll Sermon—How Have You Loved
26 Us?: “Part of our Living for a Legacy series, is letting you know what's coming up this
summer. We've got something brand-new and super cool. We're calling it the Jesus Festival.
We'll pick a nice day, be outside. We're going to have bouncy houses for kids, lots of fun

1 stuff. We're also going to do baptisms and preaching and music at Marymoor Park. All the
 2 Mars Hill Churches are welcome. We want to see you all there."

3 f. November 25, 2013 – "These are the specific areas for prayer that will
 4 be highlighted during this intentional time: 1. Mars Hill Global 2. Jesus Festival 3. Biblical
 5 University and Seminary hosted at Mars Hill Church 4. Five Mars Hill church plant/replants:
 6 Phoenix, Olympia, Tacoma, Everett, and Huntington Beach 5. Pastor Mark Driscoll's new
 7 campaign on Christianity and culture beginning September 7, 2014 During these 40 days, we
 8 are praying for \$2 million over and above our donors' tithes to fund these endeavors in
 9 2014."

11 g. November 26, 2013-Legacy Thru Prayer – "What are we praying for?
 12 1) Mars Hill Global, 2) Jesus Festival, 3) Leadership Training,, 4) Mars Hill Church
 13 Plants/Replants," and 5) Our Most Evangelistic Campaign. During these 40 days of prayer
 14 and 5 days of fasting, we are praying for \$2 million over and above our donors' tithes to fund
 15 these endeavors in 2014."

17 h. December 1, 2013 – Mark Driscoll Sermon – Where is My Honor?:
 18 Here are our year-end goals. We want to meet budget. We'd like to bring in an additional \$2
 19 million surplus for a number of projects. Part of our "Living for a Legacy" series, is letting
 20 you know what's coming up this summer. We've got something brand-new and super cool.
 21 We're calling it the Jesus Festival. We'll pick a nice day, be outside. We're going to have
 22 bouncy houses for kids, lots of fun stuff. We're also going to do baptisms, and preaching, and
 23 music at Marymoor Park. All the Mars Hill churches are welcome. We want to see you all
 24 there."

i. December 10, 2013 – City Post – Weekly Update – MH Sammamish:
 “This week we are praying for the Jesus Festival that will take place in August of 2014. Reflecting on the summertime weather alone feels worth it, but consider that we’ll likely see thousands gathered and hundreds respond to the gospel and be baptized. This will be a great outdoor celebration with games, food, and music. Let’s pray together this week for Jesus to do amazing things this summer.”

j. December 15, 2013- Mark Driscoll Sermon – How Have We Wearied Him?: “In addition, we’re asking you to give generously, and we’ll collect our tithes and offerings now. And what we’re looking for is a big year-end bump of a few million dollars, at least to help us set up our churches, our schools, and our church-planting efforts for the future.”

k. December 18, 2013 – 2013 Annual Report: “What can we do to leave a legacy of faithfulness that blesses the next generation and helps our kids and grandkids accomplish the work God has yet in store? Reach more people: In August 2014, we will host a huge evangelistic rally in the Puget Sound region. The Jesus Festival will not only be an opportunity to reach thousands of people for Jesus, it will also be an opportunity for us to come together as one Mars Hill Church family. We invite you to participate in our year-end giving campaign. It’s our goal to raise \$2 million above and beyond our regular tithes and offerings to help us build a legacy to equip the next generation.”

l. December 27, 2013 – Goodbye 2013, Hello 2014: Mars Hill Year-End Update: “Mars Hill is praying for \$2 million in contributions above and beyond normal tithes to be given by the end of the year. There are only a few more days left in 2013 that you can

1 give toward the mission of Jesus as he makes disciples and plants churches through Mars
 2 Hill. This will go to fund many exciting endeavors in 2014, including the five church
 3 plant/replants, the Jesus Festival, Mars Hill Schools, and supporting 30 additional church
 4 planters in Ethiopia and India.”

5 m. December 29, 2013 – Mark Driscoll Sermon – Will Man Rob God?:
 6
 7 “But there are still lots to do. Right now we’re praying for \$2 million to come in above and
 8 beyond normal tithes and offerings to go to things like finishing the renovation of our five
 9 churches, sponsoring additional church planters in Ethiopia and India, going from forty-three
 10 church planters to 73 for 2014. Next, it’s going to go to fund operating costs to get Corban
 11 University at Mars Hill Church and Western Seminary at Mars Hill Church launched fall
 12 2014. Finally, it’s going to go to fund Jesus Festival 2014. It’s gonna be on Friday August the
 13 22nd. It’s gonna be outdoor baptisms, a celebration of Jesus Christ, and an old-style outside
 14 revival. Mars Hill Church, we are so excited to end the year 2013 in an amazing way and
 15 launch 2014, which is poised to be our greatest and most evangelistic year ever.”

16 n. January 13, 2014 – We Prayed For \$2 Million. . . What Happened?:
 17
 18 “In August we have the Jesus Festival, an outdoor event in Seattle that will boldly proclaim
 19 the name of Jesus and clearly announce the good news of grace. We are praying for a work of
 20 the Spirit that would lead many, many people to Jesus that day. In the final weeks of 2013,
 21 we were asking God to provide \$2 million above and beyond our normal tithes and offerings
 22 in order to accomplish these exciting endeavors in 2014. Guess what? HE DID IT! We
 23 received \$2,991,852 above our budget by December 31st!”
 24
 25
 26

1 o. March 8, 2014 – City Post – MH Jesus Festival: “If you have not
2 already heard, Mars Hill has an epic summer festival lined up for August 20-22nd at
3 Marymoor Park, the Jesus Festival. This will be the first real “reformed tribe” rally of it’s
4 kind and huge numbers are expected to come. No doubt many will enter into The Great
5 Family and be baptized. It’s going to be phenomenal. While many particular details are in the
6 works, one thing is for certain, it’s all hands on deck. We will need every single MHK
7 volunteer available to help staff the event. Hours, rotations, etc, are yet to be dialed in. But
8 the greater our numbers, the greater our ability to share in the fun. All MH churches will be
9 invited. We will have all kinds of kids games, activities, events, teaching, entertainment,
10 music and calls to response. Yes, we’re going to rally many kids to come to saving faith in
11 our Lord Jesus! Well worth the effort. Lives will be forever changed. And, it will be a great
12 time for all of us involved in Kids ministry to rally together. Please secure the dates in your
13 calendar, get vacation blocked out with your employer, and start spreading the word. Fill out
14 this quick 30 second form to RSVP. Thank you.”

17 p. May 13, 2014 – City Post – Weekly Update – MH Sammamish: “Our
18 previous plans for a big summer event at Marymoor Park (i.e. Jesus Festival) are being
19 postponed for a future time. After additional research an event of this scale is too expensive
20 at this time and we are committed to being good stewards of what God has entrusted to us
21 and staying focused on our mission of making disciples and planting churches.”

22 q. Of the almost \$3 million that was donated to the four designated
23 projects, only the “new homes for church families” and the Leadership Training project
24
25
26

1 apparently received any of the designated funds. The Jesus Festival was cancelled, and MHC
 2 has never provided information about the amount received, if any, by the Global Fund.

3 r. On information and belief, RICO Defendants failed to use the majority
 4 of funds received from the end-of-year campaign for the purposes designated by the donors.
 5 Instead, the majority of the designated donations were fraudulently redirected to other uses.
 6

7 **D. RICO Defendants Fraudulently Redirected Designated Campus Fund**
 8 **Donations to Non-Designated Uses**

9 58. Among a number of options available to MHC donors, was an online option
 10 to designate their gift to the Campus Fund, the MHC satellite campus they attended. RICO
 11 Defendants knew that Campus Funds were restricted and could not be used for any purpose
 12 other than that stated by the donor, nevertheless, RICO defendants redirected Campus Fund
 13 donations to other uses. From December 2009-August 2011, Driscoll and Turner (then as
 14 General Manager) conspired to, and in fact did, agree to redirect funds designated by donors
 15 for specific campuses to the general fund. Donations to the Campus Fund were made in
 16 church, online (PayPal and credit card), and by mail. Campus Fund donations were
 17 fraudulently used for the general fund despite donor designations. It was only after some
 18 major donors (those donating \$1,000 or more to the Campus Fund) began complaining
 19 because they did not see their donations being used for their respective MHC campuses that
 20 the defendants asked those donors if it was ok if their donations were redirected to other uses.
 21 The Jacobsens were major donors to the Campus Fund but were never asked if their
 22 donations could be redirected.
 23
 24
 25
 26

1 **V. INDIVIDUAL ALLEGATIONS**

2 59. Plaintiffs Brian and Connie Jacobsen began attending MHC in April 2008,
3 became members of MHC in January 2010, and resigned their memberships on April 3, 2014.
4 From April 2008 through March 2014, the Jacobsens donated in excess of \$90,000 to MHC
5 by online contributions, checks and cash.

6 60. Plaintiffs Ryan and Arica Kildea were members of MHC during a period
7 covered by this lawsuit (2011-Spring 2013). During that period, they donated in excess of
8 \$2,700 to MHC. The Kildeas donated to MHC believing that their donations were going to
9 the MHC campus they designated, Shoreline Campus.

10 61. The Jacobsens and Kildeas believed in and supported the mission of MHC,
11 which they understood was to preach the gospel, make disciples, and plant churches at home
12 and abroad. They believed they had found a church home that was led by men of integrity
13 where they could trust that their contributions would be honestly utilized; where their
14 donations would be an important part of the Body of Christ striving to serve a world in need
15 of Christ. The Jacobsens not only gave financially, but also gave a significant amount of time
16 volunteering in various roles.

17 62. In February 2012, the Jacobsens became deacons in the church, a position that
18 carried leadership responsibilities with it. It was important to them that their money and
19 efforts be used honestly and in a way that contributed to the mission of MHC, and that
20 showed the love of Christ to the world.

21 63. MHC made extensive use of the Internet and technology from the earliest days
22 of the church. The Jacobsens and Kildeas were frequently solicited for donations in church
23
24
25
26

1 services through sermon videos, campaign video clips, and entreaties from pastoral staff.
2 Through their years at MHC, the Jacobsens would also frequently receive emails from RICO
3 Defendants, their co-conspirators, and other MHC leaders and staff telling them about MHC
4 projects such as Global Fund, Campus Fund, and the Jesus Festival. These emails frequently
5 came with requests for donations to those projects. Moreover, the Jacobsens often went
6 online and viewed the MHC website where they would see videos and other content
7 promoting these projects. These communications encouraged the Jacobsens' belief that MHC
8 and the RICO Defendants were honestly serving the cause of Christ in many different ways,
9 and in response they donated more than \$90,000 to MHC over a period of six years.
10

11 64. The Jacobsens donated to the MHC general fund, from which monies were
12 taken to scam the New York Times bestseller list, they donated to the Bellevue Campus
13 Fund, and they donated over and above their normal giving during fundraising drives,
14 including the year-end 2013 campaign. After MHC received ECFA certification in September
15 2012, a "big deal" was made of it by RICO Defendants and other senior leadership at MHC.
16 The ECFA certification reinforced the Jacobsens' belief that MHC finances were being
17 managed with integrity.
18

19 65. In March 2014, after learning that the RICO Defendants had fraudulently used
20 MHC funds to scam the New York Times bestseller list, and witnessing how they tried to
21 conceal their wrongdoing behind extremely controlling and tight non-disclosure agreements,
22 the Jacobsens were forced to reassess their confidence in MHC and the RICO Defendants.
23 They immediately stopped donating to the church, with their last donation dated March 5,
24 2014. After much prayer and investigation, as well as seeing the twisting of the truth by MHC
25
26

1 and RICO Defendants in response to the revelations, they came to realize they had
 2 irretrievably lost their confidence that the RICO Defendants and other MHC senior leadership
 3 were leading in an upright and godly manner.

4 66. The Jacobsens were astonished at the lack of transparency and the lack of a
 5 sense of accountability that they experienced from the RICO Defendants and other MHC
 6 leaders they had previously trusted so implicitly. Because of those concerns, they came to the
 7 conclusion they were unable, in good conscience, to continue to donate to MHC, or to
 8 continue to serve in the church. As a result, they found themselves in the painful place of
 9 realizing they could not continue to attend MHC. They resigned their membership and their
 10 volunteer positions on April 3, 2014, because they did not wish to be associated with a
 11 church whose leadership lied and acted corruptly. If they had been aware of the spiritual and
 12 moral corruption of the MHC leadership, they would never have attended, let alone donated
 13 to MHC for any purpose.
 14

15
 16 **FIRST CLAIM FOR RELIEF**
 17 **(For Violations of RICO, 18 U.S.C. § 1962(c))**
 18 **(Against Both RICO Defendants)**

19 67. Plaintiffs reallege and incorporate herein by reference each and every
 20 foregoing paragraph of this Complaint as if set forth in full, and further allege as follows:

21 68. Defendants are persons within the meaning of 18 U.S.C. § 1961(3).

22 69. At all times relevant hereto, Mars Hill Church was an Enterprise engaged in,
 23 and whose activities affected, interstate or foreign commerce.

24 70. At all times relevant hereto, RICO Defendants were employed by the
 25 Enterprise.
 26

1 71. At all times relevant hereto, RICO Defendants oversaw and managed the day-
2 to-day affairs of the Enterprise and ensured execution of the Enterprise's vision, mission, and
3 strategic objectives.

4 72. At all times relevant hereto, RICO Defendants conducted and participated,
5 both directly and indirectly, in the conduct of the affairs of the Enterprise through a pattern of
6 racketeering activity. The RICO Defendants intentionally made false representations to
7 induce Plaintiffs to make contributions of money to the Enterprise.
8

9 73. Pursuant to and in furtherance of their fraudulent scheme, on multiple,
10 continuous occasions from 2011 through 2014, the RICO Defendants used the internet and
11 the United States mail to solicit contributions of money from Plaintiffs. Thus, RICO
12 Defendants transmitted, or caused to be transmitted, by means of wire communication in
13 interstate or foreign commerce, writings, signs, signals, pictures, and sounds, and also caused
14 matters and things to be placed in any post office or authorized depository, or deposited or
15 caused to be deposited matters or things to be sent or delivered by a private or commercial
16 interstate carrier, including but not limited to emails and website postings incorporating false
17 and misleading statements regarding the Global Fund, Campus Fund, the Jesus Festival, and
18 the *Real Marriage* campaign.
19

20 74. Both RICO Defendants have engaged in multiple predicate acts, as described
21 herein. The conduct of both RICO Defendants described herein, constitutes a pattern of
22 racketeering activity within the meaning of 18 U.S.C. § 1961(5). Pursuant to their fraudulent
23 scheme as described herein, the RICO Defendants committed many acts of mail fraud under
24
25
26

1 18 U.S.C. § 1341 and wire fraud under 18 U.S.C. § 1343, continuously from 2011 through
2 2014.

3 75. Plaintiffs injuries in their business and property are the direct, proximate, and
4 reasonably foreseeable result of the RICO Defendants' violations of 18 U.S.C. § 1962(c).

5 76. Pursuant to 18 U.S.C. § 1964(c), Plaintiffs are entitled to recover treble
6 damages plus costs and attorney's fees from the RICO Defendants.
7

8 WHEREFORE, Plaintiffs pray for judgment as set forth below.

9 **SECOND CLAIM FOR RELIEF**
10 **(Conspiracy to Violate RICO, Violation of 18 U.S.C. § 1962(d))**
11 **(Against Both Rico Defendants)**

12 77. Plaintiffs reallege and incorporate herein by reference each and every
13 foregoing paragraph of this Complaint as if set forth in full, and further allege as follows:

14 78. The RICO Defendants have unlawfully, knowingly and willfully combined,
15 conspired, confederated and agreed together and with others to violate 18 U.S.C. § 1962(c) as
16 described above, in violation of 18 U.S.C. § 1962(d).

17 79. The RICO Defendants knew that they were engaged in a conspiracy to commit
18 the predicate acts, and they knew that the predicate acts were part of such racketeering
19 activity, and the participation and agreement of each of them was necessary to allow the
20 commission of this activity. This conduct constitutes a conspiracy to violate 18 U.S.C. §
21 1962(c), in violation of 18 U.S.C. § 1962(d).

22 80. The RICO Defendants knew about and agreed to facilitate, through the
23 Enterprise, their scheme to obtain monetary donations from Plaintiffs. It was part of the
24 conspiracy that RICO Defendants and their co-conspirators would commit a pattern of
25
26

1 racketeering activity in the conduct of the affairs of the Enterprise, including the acts of
2 racketeering set forth in the paragraphs above.

3 81. As a direct and proximate result of the RICO Defendants' conspiracy, the acts
4 of racketeering activity of the Enterprise, the overt acts taken in furtherance of that
5 conspiracy, and violations of 18 U.S.C. § 1962(d), Plaintiffs have been injured in their
6 business and property.
7

8 82. Pursuant to 18 U.S.C. § 1964(c), Plaintiffs are entitled to recover treble
9 damages plus costs and attorney's fees from the RICO Defendants.

10 WHEREFORE, Plaintiffs pray for judgment as set forth below.

11 **THIRD CLAIM FOR RELIEF**
12 **(Fraud)**

13 83. Plaintiffs reallege and incorporate herein by reference each and every
14 foregoing paragraph of this Complaint as if set forth in full.

15 84. As set forth more fully herein, over a period of nearly four years, RICO
16 Defendants made fraudulent representations to Plaintiffs, a practice so deeply embedded,
17 pervasive and continuous that it was effectively institutionalized as a business practice at
18 MHC. RICO Defendants fraudulent representations solicited contributions from Plaintiffs for
19 specific purposes (Real Marriage campaign, the Global Fund, Campus Fund, and the Jesus
20 Festival), but then redirected those designated donations to other unauthorized purposes.
21

22 85. RICO Defendants knew their statements were false and misleading when
23 made.

24 86. Defendants intentionally made the false representations in order to induce
25 Plaintiffs to contribute money.
26

1 87. Plaintiffs were unaware that the statements were false.

2 88. Plaintiffs relied upon the truth of the statements.

3 89. Plaintiffs were right to rely on the truth of the representations.

4 90. As a direct and proximate result of the RICO Defendants' fraudulent
5 representations, Plaintiffs and others have suffered monetary damages.
6

7 WHEREFORE, Plaintiffs pray for judgment as set forth below.

8 **PRAYER FOR RELIEF**

9 WHEREFORE, Plaintiffs respectfully request that the Court enter judgment in their
10 favor and against Defendants, jointly and severally, as follows:

11 1. For damages, according to proof at trial, and trebled damages according to statute,
12 18 U.S.C. § 1964(c).

13 2. For pre-judgment interest according to statute;

14 3. For Plaintiffs' reasonable attorney's fees and costs according to statute, 18 U.S.C. §
15 1964(c);
16

17 4. For such other and further relief as this Court may believe Plaintiffs' are entitled to
18 receive.

19 DATED: February 29, 2016

20 LAW OFFICE OF BRIAN FAHLING

21 By: /s/Brian Fahling
22 WSBA #18894

23 6221 116th Ave. NE
24 Kirkland, WA 98033
25 Telephone: 425.202.7092

26 Attorney for Plaintiffs