

George M. Likis  
578 Bristol Lane  
Birmingham, AL 35226

November 21, 2011

Subject: April 8 meeting with District Superintendent Ron Schultz

To Whom It May Concern:

On Thursday morning April 7, 2011 the day following Ron Schultz's meeting with the SPRC committee at Church of the Reconciler I called Ron Schultz and requested a meeting to determine the nature of the current situation at Church of the Reconciler. On Friday April 8 DS Schultz met with me in my office for approximately 2 ½ hours and presented an account of the current state of affairs at COR. According to DS Schultz the information he communicated to me was the same as that presented to the SPRC.

Essentially he told me that Reverend Lawton Higgs and Reverend Kevin Higgs were declared to be "on vacation" due to certain allegations made against them by five or six individuals associated with Church of the Reconciler. To the best of my recollection DS Schultz indicated to me that these individuals signed a letter which was sent to the North Alabama Conference of the United Methodist Church. He would not tell me the exact nature of the allegations nor would he show me a copy of the charges. The two pastors were to be on vacation until such time as the allegations could be investigated and the determination made as to their validity. He indicated that he had no choice but to take this action because of the seriousness of the allegations and the fact that they were made directly to the Conference. The names of those persons who initiated this process were not given.

Ron Schultz indicated to me that the COR had not had its financial records audited and alleged that there had been "comingling" of funds with a separate corporations and suggested that funds designated for specific purposes had not always been used for those purposes but spent by the general operating account. My response was that I felt that we at the Church of the Reconciler had made great strides in the year 2010 in improving our bookkeeping and were moving toward having a full audit completed. I had no direct knowledge of comingling of funds but was aware that there was a mix up concerning the payment of the church secretary which has since been corrected. With regard to the designated funds in the capital funds account, to the best of my knowledge these funds were used for the purposes for which they were intended and not used for everyday church expenses.

Following my meeting with DS Schultz I had several conversations with Tom Bole who had been acting as business manager for Church of the Reconciler for the past 1 ½ years. During this period Tom was privy to the internal bookkeeping of the church. I posed the question to Tom Bole as to how it was possible that 5 people some of whom had very little inside information about the church could have signed a letter making serious allegations against Pastors Lawton and Kevin Higgs. Tom indicated to me that in fact a letter was not signed by individuals but that information was secured by District Superintendent Schultz through personal interviews initiated by DS Schultz with each of the individuals. The individuals then agreed to sign affirming their answers to questions posed by the DS. After talking with Tom Bole it became apparent to me that the DS in fact misrepresented to me the process by which the allegations were made. Rather than being initiated by the individuals involved they were initiated by the DS himself. This realization on my part caused me a great deal of consternation and resulted in my mistrust of the DS and his intentions regarding Church of the Reconciler.

George M. Likis  
578 Bristol Lane  
Birmingham, AL 35226

November 10, 2011

Subject: Church of the Reconciler Complaint to Council of Bishops

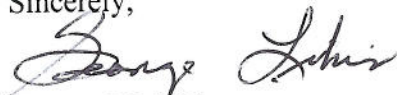
To Whom It May Concern:

In reviewing the Church of the Reconciler checking accounts after I regained access to church financial records, I discovered that checks had been written against an account that held funds reserved for the project of building showers at the Church of the Reconciler. Between April 27, 2011 and July 7, 2011 18 checks totaling \$31,372.75 were written on the account and signed by Tom Bole. Although I have no doubt that these checks were used for legitimate church expenses, they did cause the following concerns:

1. Although the church is currently talking with the donor about authorizing the use of these funds for some alternative projects, most of the funds expended can't currently be used for the expenses for which the checks were written.
2. The checks were signed by Tom Bole who was not an authorized signatory on the account.
3. It is my understanding that the possible use of these funds for purposes other than the purpose for which they were donated was one of the issues which led to the Higgs' removal, and that accordingly Tom Bole and the District Superintendent should have known that these funds could not be used for this purpose.
4. During this period the church was functionally under the control of the District Superintendent expressly because of financial and administrative issues he alleged to have happened. Given this set of facts, it is a significant problem that the District Superintendent did not establish the procedures and controls that would have prevented monies being spent for a wrong purpose using checks signed by an unauthorized person.

If there are any questions concerning the above I can be reached at 205-837-1101.

Sincerely,



George M. Likis  
Chair, Finance Committee  
Church of the Reconciler