

Letter 1

to LSA re: Plaintiff settlement offer

April 8 2014

CIV-2013-488-108 - JZK, Inc & Anor v McCarthy - Settlement Offer.

Grants Officer Civil | Legal Aid Services

D E McCarthy – 13443177

Dear Legal Aid Services,

I wish to decline the plaintiff's settlement offer of 28 March 2014.

Not only because I have a real prospect of winning this lawsuit, This offer would gag my ability to effectively document and report the plaintiffs' illegal and fraudulent activities in the future, and destroy evidence of illegal and dangerous activities at RSE.

I am not being sued for criticizing plaintiff's actions in the future.

I have been doing that for 10 years, and I never got sued.

Regardless of the outcome of this lawsuit I will continue to document and report JZ Knight's illegal, unethical, and fraudulent activities . Particularly when NZ lives are at grave risk at RSE.

My US lawyer Joshua Koltun.

I have used lawful and legitimate means to document and report J. Z. Knight's illegal, unethical, and fraudulent activities (both in the US and NZ).

This proved lawful when a US court dismissed the plaintiffs' claims against me with prejudice.

This was after a very stressful time-consuming effort working with my US lawyer Joshua Koltun.

The plaintiffs NZ complaints are the same as US lawsuit they lost.

Please see copy of the Court Orders at the conclusion of the US hearing.

Attachment:

PDF: *Order Dismissing Does wo Prej and McC with Prej*

These lawsuits are a continuation of the plaintiff's actions to suppress critical information in the public interest, and retaliation for exposing dangerous and illegal activities that have taken place at the plaintiffs RSE cult compound during business hours **for** decades. The plaintiff's actions are also indicative of an all out effort to bankrupt me and gag my ability to report critical information and news to the public and interested parties, as well as sending out a message of intimidation to chill this same ability of others.

My Youtube account terminated

This settlement does nothing to reinstate my Youtube account now terminated directly as a response to the plaintiff's copyright complaints.

This effectively shut down 12 other videos reporting the plaintiffs activities that affect the public interest..

Glen Morgan, The Freedom Foundation

He is a citizen journalist who was also trying to inform the public about JZ Knight's illegal and dangerous activities. Mr. Morgan never went to RSE or signed any contract. All of Morgan's journalism videos on that youtube account were taken down . Most of those videos were unrelated to Knight, such as Morgan's video reports about local land use laws, videos of public hearings, etc. JZ Knight's lawyers had the power to hurt the career of a political journalist completely unrelated to RSE, because he dared to post clips showing her RSE activities, to inform the public.

If I accept this settlement offer, J Z Knight will continue to be allowed to have anything removed from Youtube that she wants, including videos that are completely unrelated to RSE, posted by people who never went to RSE or signed a contract.

The plaintiffs repeatedly tried to get Glen Morgan, a citizen journalist, to reveal sources by arguing that a citizen journalist wasn't a real reporter. Glen defeated them EACH time, stating that he had 1st Amendment rights as a journalist. **He** won each round with the Plaintiffs.

Glen Morgan is a farmer and works for an educational non-profit.

He writes online articles and opinion pieces, and does informative, factual Youtube videos, just like I do. He does not work as a newspaper reporter, but the court still recognized him as a journalist, with a journalist's rights.

Quote:

" A Thurston County Superior Court judge on Friday, Dec. 7, dismissed a subpoena from JZK, Inc, a corporation controlled by J.Z. Knight, that would have required the Freedom Foundation to turn over documents and related materials used in the production of news articles and video exposés of the Yelm cult leader."

Victory for Freedom Foundation in J.Z. Knight Litigation:

<http://myfreedomfoundation.com/blog/liberty-live/detail/release-victory-for-freedom-foundation-in-jz-knight-litigation>

As a citizen journalist like Glen Morgan, my EMF videos and research reported on EMF's website, that form the basis of JZK's claims against me, meet the criteria for Section 22 of New Zealand's 2008 Copyright (New Technologies) Amendment Act, for "news reporting" and "reporting current events," in the same manner that Glen Morgan's rights as a citizen journalist against JZK were recognized in the U.S. court.

My You tube videos.

My videos meet the criteria for "news reporting" in Section 22 of New Zealand's 2008 Copyright (New Technologies) Amendment Act, September 16, 2011 reprint.

<http://www.legislation.govt.nz/act/public/2008/0027/latest/whole.html#DLM1122558>

Section 22 (Criticism, review, and news reporting) states, "Fair dealing with a work for the purpose of reporting current events by means of a sound recording, film, or communication work does not infringe copyright in the work."

My YouTube videos rise to the standard of news reporting, and therefore are protected by Section 22 because:

(1) They have been accepted by both U.S. mainstream media and important elected officials as a valid, reliable source of newsworthy, significant, current information that affected the public interest.

Sandra Romero, Thurston County Commissioner.

The following headline article by Brad Shannon, State Government writer for The Olympian (Washington State capital city's mainstream newspaper), described the great impact that "Behind the Mask" videos had on the Washington statewide 2012 election:

<http://www.theolympian.com/2012/10/30/2303235/romero-to-give-away-jz-knights.html>

Headline: "Romero to Give Away JZ Knight's Campaign Cash"

Echoing moves by the state Democratic Party and other candidates, Thurston County Commissioner Sandra Romero said Tuesday night she is giving away \$3,600 in campaign contributions received from Yelm-based channeler JZ Knight, whose comments about Catholics, Mexicans and gays have [caused a political stir](#).

Romero, who was [the last South Sound candidate to defy Republican calls to give the money back](#), went a step further than the party, congressional candidate Denny Heck, or state Senate candidate Bruce Lachney – all of whom are donating money received from Knight to political causes or charity. Romero also [called on Knight to "retract" her statements](#), describing them as "highly offensive" and "grossly disparaging of a large portion of the people who live in Thurston County."

Spokesmen for Knight and her Ramtha School of Enlightenment have said her remarks were taken out of context during a talk about the sexual abuse by Catholic priests and that she has always supported gays and lesbians.

*But in a news release, linked [here](#), **Romero said new videos released Friday** (which prompted state Democrats to give away \$70,000 received from Knight) offered clearer evidence:*

"Unlike the other videos that were heavily edited, spliced and taken out of context this most recent one appeared to be undoctored. I am appalled by Ms. Knight's outrageous anti-Mexican, anti-Catholic raging. These vile, racist, and divisive comments against responsible and caring people have no place in Thurston County, or anywhere else. I am particularly stunned by these anti-human rights comments from her, because of her otherwise very positive record of supporting scholarships for students in the Yelm area, her support for positive environmental organizations and policies, her support of local social service agencies and her significant contributions to the economy in southeast Thurston County. However, these

hateful comments are the complete opposite of everything I stand for. I denounce them. I condemn them.”

The Democrat said she is giving the money to two charities – one sponsored by SafePlace in Olympia and that assists Latina victims of domestic violence and another, called C.I.E.L.O., that serves as a cultural center for Latinos and others in the community, Romero said.

(Note—the “new videos” that had been released the previous Friday were My “Behind the Mask, Parts 1 and 2.”)

This article from Washington State’s mainstream capital city newspaper, along with Romero’s statement about the reliability my video “Behind the Mask” video because it was **“undoctored”**, signifies that my videos met the criteria of the first “Principle of Publication” of the “Ethic Code for the Association of Citizen Journalists,” which states that “Journalists should present the facts and preserve their true meaning, demonstrate the major links and not allow distortions.” <http://www.acj-eu.org/ethic-code/>

The fact that the Washington State Democratic Party gave away JZ Knight’s entire \$70,000 contribution, and Sandra Romero gave away her entire \$3,600 contribution, **both as a direct result of “Behind the Mask” videos** proves my videos met the criteria of reliable, factual “news reporting” and “reporting current events” per Section 22 of New Zealand’s copyright law.

Therefore, My EMF videos are not “criticism.” They are news reporting, as recognized by major U.S. mainstream media, and important Washington State political leaders.

(2) My EMF website home page also identifies itself as a source of news reporting, by stating that it provides “educational information” and “sharing of facts.”

I have been organizing public meetings and reporting on JZ Knight and RSE for over ten years.

I run website www.enlightenmefree.com that has an integrated support forum for former members of RSE and their families that also reports about the plaintiffs [HERE](#)

My website banner reads:

“Welcome to the Enlighten Me Free Message Board Forum. This forum is primarily intended for former students RSE. It’s a place where they can discuss and share experiences and receive support within a sense of community & network with others.

Let there be no misunderstanding here The Enlighten Me Free (EMF) website has also been created to make public the destructive, deceptive and illegal activities at (RSE, Inc)

Family and friends who need support due to concerns they have with regard to experiences they've encountered from their loved ones in RSE are also welcome to post.”

To date: Total posts =16181 | Total topics =2041 | Total membership =391.

I have never received nor asked for payment for my work.

My website and forums are provided for free to the public.

Citizen journalism has long been recognized by New Zealand mainstream media and academia as a valid source of reliable news reporting. On July 14, 2005, Francis Till of the “National Business Review” wrote an in depth article, “Citizen Journalists Move to Centre Stage after London Bombings.”

<http://www.nbr.co.nz/article/citizen-journalists-move-centre-stage-after-london-bombings>

Till stated, “*The term 'citizen journalist' is not new, but has never had anything like the legitimacy conferred upon it by London.*” Till went on to report how major media around the world, including the BBC and US media, recognized the critical contribution of citizen journalists.

On November 24, 2009, University of Auckland’s professor Luke Goode wrote an essay, “Social News, Citizen Journalism, and Democracy” that has been widely distributed and quoted throughout other academic sources, around the world. <http://nms.sagepub.com/content/11/8/1287.abstract>

On August 10, 2010, the New Zealand Herald published Goode’s “Citizens as Gatekeepers,” which further explored the growing field of citizen journalism.

http://www.nzherald.co.nz/technology/news/article.cfm?c_id=5&objectid=10665051

Since these publications, citizen journalism has grown rapidly in New Zealand, with growing acceptance for its validity as a news source.

I believe I qualify as a citizen journalist under NZ copyright law.

Section 22 of the NZ Copyright Act 1994 for news reporting, using videos

Criticism, review, and news reporting

(1) Fair dealing with a work for the purposes of criticism or review, of that or another work or of a performance of a work, does not infringe copyright in the work if such fair dealing is accompanied by a sufficient acknowledgement.

(2) Fair dealing with a work for the purpose of reporting current events by means of a sound recording, film, or communication work does not infringe copyright in the work.

(3) Fair dealing with a work (other than a photograph) for the purposes of reporting current events by any means other than those referred to in subsection (2) does not infringe copyright in the work if such fair dealing is accompanied by a sufficient acknowledgement.

Copyright Act 1994 No 143 (as at 01 January 2014), Public Act 42 Criticism, review, and news reporting – New Zealand Legislation

<http://www.legislation.govt.nz/act/public/1994/0143/latest/DLM345961.html>

JZK Settlement Offer:

- (a) *Mr McCarthy, in particular, agrees that he will not disseminate, publicly or privately, and that he will destroy any copies in his possession, power or control of, any portion of, the video recordings known as:*

The suggestion I destroy these videos is just plain wrong and irresponsible.

These videos are evidence of the plaintiff's dangerous and illegal activities, fraud, and probable tax evasion in Thurston County, Washington.

The business owners in Thurston County will file an injunction to anyone wishing to destroy them because they are evidence of lawbreaking, Fraud, and tax evasion that is presently being investigated. I am being sued because I showed clips of videos that gave solid evidence of multiple illegal, abusive and dangerous activities by J Z Knight and her employees during RSE (Ramtha School of Enlightenment) events. This evidence has, in turn, triggered separate investigations of JZ Knight's other activities involving her businesses at RSE that otherwise would have been known.

Melissa Genson, CPA/CIA.

My U.S. pro bono forensic accountant Mellissa Genson, CPA/CIA, has compiled a large collection of U.S. federal, State, and local laws that J. Z. Knight - RSE has broken, based on evidence from the videos. Genson adds irrefutable verification from government agencies and other institutions that what was demonstrated and what I claimed in these RSE video segments strongly shows that these laws were indeed broken and lives are at risk at RSE.

Evidence will also demonstrate that no contract existed between me and RSE, because government documentation shows that RSE was not a legal entity at the time I signed the contract.

J. Z. Knight is aware of my forensic accountant's research and findings through various government agencies, involving the illegal activities shown on the videos. They closely track her public records requests. Because of that, we can assume that they also know that she has discovered that RSE was apparently not a legal entity at the time that I signed the RSE (COP) 'Conditions of Participation' contract with them. That is why they are so desperate now to enter into this settlement.

They are proposing this settlement now because of this new mountain of solid evidence against them of illegal activities as evidenced by the videos. This evidence was yet well hidden at the time that they sued me, and they didn't think it could be discovered before this trial.

Conclusion.

If this does not go to trial the plaintiffs will not be held culpable, it also will send a strong message to countless other RSE victims that speaking out against a destructive Pseudo-religious corporation cult is useless. Ex-members of cults such as RSE with clear evidence of abuse, undue influence, and deception have been traditionally bullied and silenced by cults with vast legal and financial resources. I do not want that to happen in this case as it carries a far larger and the more important issues of Copyright principles protecting Free Speech within a framework of the Public's Right to know. This is fundamental to prevent or at least mitigate further harm. I believe I have adhered to these practices, principles with a clear legal and moral justification for my actions. But this can only be judged in a court of law.

Further LSA funding.

Because of the LSA's limited funding afforded to my NZ lawyers

They do not have authority to review new evidence recently documented by Melissa Genson. Further LSA funding may be necessary to authorize Richard Smedley to review this material.

I request the LSA to consider my views and approve this lawsuit to proceed to trial.

Thank you for your time and ongoing support,

David McCarthy
Kaiwaka
NZ.

" Throughout society, the public is demanding more information and greater accountability from public and private institutions. Right to know laws promote democratic decision making, further autonomy interests, and lead to more efficient consumer and workplace markets. They are a potent and cost-effective way of reducing harmful environmental, occupational and other exposures."

Clifford Rechtschaffen
Center for Progressive Reform.
<http://www.progressivereform.org/perspright.cfm>