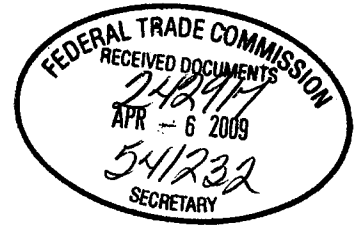


ORIGINAL



IN THE UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION
OFFICE OF THE ADMINISTRATIVE LAW JUDGES

)
In the Matter of)
)
DANIEL CHAPTER ONE,)
)
a corporation, and)
)
)
JAMES FEIJO,)
)
Individually, and as an officer of)
)
Daniel Chapter One.)
_____)

DOCKET NO. 9329

PUBLIC DOCUMENT

**RESPONDENTS' REPLY TO COMPLAINT COUNSEL'S MOTION AND
MEMORANDUM TO MODIFY COMPLAINT COUNSEL'S FINAL EXHIBIT LIST
AND TO INTRODUCE NEW EVIDENCE TO THE COURT ON THE ISSUE OF
RESPONDENTS' FINANCIAL CONDITION**

I. INTRODUCTION

Respondents respectfully object to and ask this Court to deny Complaint Counsel's Motion to Modify Complaint Counsel's Final Exhibit List to Introduce New Evidence to the Court on the Issue of Respondents' Financial Condition, specifically evidence from Citizens Bank and American Express regarding Respondents' financial condition, at the Court's April 21, 2009 hearing on jurisdiction in this matter.

Counsel for Respondents oppose this motion because they have not had a chance to review the new evidence, which Complaint Counsel has not yet received, and because it is untimely. Complaint Counsel states, in footnote 2 of their motion, that "as soon as Complaint Counsel receives the new evidence from Citizens Bank and American Express, Complaint Counsel will share it with Respondents and revisit the issue of what objections, if any, they have." Respondents assert that the appropriate course of action for Complaint

Counsel is to withdraw their motion and re-make it, if necessary, when they have the documents they wish to include in evidence. In the absence of such reasonable action by Complaint Counsel, Respondents urge the Court to deny the motion.

II. RESPONDENTS HAVE THE RIGHT TO SEE THE PROPOSED EVIDENCE AND IF APPROPRIATE OBJECT TO ITS ADMISSION BEFORE IT IS ACCEPTED INTO EVIDENCE

The importance of seeing the proposed evidence before determining whether to treat it as appropriate evidence seems clear on its face. However, that importance is further underscored by the fact that Complaint Counsel and Respondents' counsel had a very successful and productive consultation about two pieces of evidence that Complaint Counsel proposed to introduce which were inappropriate because they pertained to an organization with a name similar to one of the Respondents but which was not that Respondent.

Complaint Counsel agreed to drop their proposal to use that evidence. Until Respondents' counsel know what information American Express and Citizens Bank provide, it is not possible to know if there are objections to be made to the relevance of the information as evidence or if even Complaint Counsel will consider the information appropriate evidence.

III. RESPONDENTS OBJECT THAT COMPLAINT COUNSEL'S MOTION IS UNTIMELY AND WILL PREJUDICE RESPONDENTS

Respondents further object to the admission of this evidence because of the late date at which it is being sought. Complaint Counsel point out that they received the information that American Express and Citizens Bank had the financial information that they now seek during the January 13, 2009 deposition of Respondent Mr. James Feijo, the overseer of Daniel Chapter One. Mr. Feijo has made repeatedly clear verbally and in writing in response to the questions of Complaint Counsel that as a matter of religious conviction he does not retain financial records for Daniel Chapter One. The day following Mr. Feijo's

deposition Mrs. Feijo gave the same testimony. Mr. Feijo did provide some very general financial information that he was able to construct but repeatedly made clear that he did not retain bank records or credit card statements. Mr. and Mrs. Feijo provided sufficient information at their depositions to permit Complaint Counsel to promptly issue a subpoena for the records they now seek to enter into evidence sight unseen.

Respondents are in the process of filing and responding to motions, preparing two pretrial briefs and preparing for a hearing involving numerous fact and expert witnesses. It would be unfair and burdensome to, at some future time, perhaps on the eve of the hearing, require them to address the appropriateness of records which Complaint Counsel could have with further diligence, previously provided. Respondents' counsel have not encountered a U.S. bank or credit card company that did not respond to a subpoena in less than 10 weeks.

IV. RESPONDENTS OBJECT TO COMPLAINT COUNSEL'S CHARACTERIZATION OF RESPONDENTS' RESPONSES TO DISCOVERY AS HAVING HIDDEN OR WITHHELD INFORMATION OR REFUSED TO ANSWER QUESTIONS, WHEN IN FACT RESPONDENTS HAVE RESPONDED TO ALL DISCOVERY REQUESTS AND PROVIDED ALL INFORMATION IN THEIR POSSESSION

Complaint Counsel now argue that Mr. Feijo is hiding information and "refusing" to answer questions merely because Complaint Counsel do not like the answers that Mr. Feijo has given—namely that he does not have the documents that they seek. They have known since well before January 13, 2009 that this is the answer of Mr. Feijo. They have known since January 13—because Mr. Feijo provided the information—that he banked at Citizens Bank and used an American Express card.

In fact, Mr. Feijo has answered every question put to him by Complaint Counsel and made clear that Daniel Chapter One does not keep financial records. Daniel Chapter One does not keep financial records because it believes that to do so would violate God's

word and compromise its mission. It bases this belief on the Bible, particularly the book of Matthew, Chapter 6, verses 1 through 4, reinforced by other Bible verses. Matthew 6-1 says, "Be careful not to do your 'acts of righteousness' before men, to be seen by them. If you do, you will have no reward from your Father in heaven." Matthew 6-2 through 4 says, "So when you give to the needy, do not announce it with trumpets, as the hypocrites do in the synagogues and on the streets, to be honored by men. I tell you the truth, they have received their reward in full. But when you give to the needy, do not let your left hand know what your right hand is doing, so that your giving may be in secret. Then your Father, who sees what is done in secret, will reward you".

Daniel Chapter One reads these verses to be directions not to maintain financial records because doing so will interfere with their ministry. In spite of their strong religious belief about the need to be focused on their work and not their finances—work hard and righteously, they believe, and God will provide—Respondents did provide all the financial information they could piece together and did answer all financial questions with the best information they had available.

V. CONCLUSION

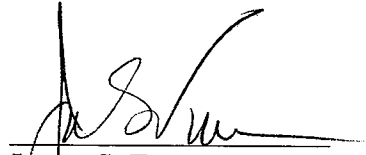
For the above stated reasons Respondents respectfully request that the Court deny Complaint Counsel's motion for the addition of new evidence consisting of material provided in response to subpoenas to Citizens Bank and American Express.

Respectfully Submitted,

Dated: March 26, 2009



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**IN THE UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION
OFFICE OF THE ADMINISTRATIVE LAW JUDGES**

In the Matter of)
DANIEL CHAPTER ONE,)
a corporation, and)

DOCKET NO. 9329

JAMES FEIJO,)
Individually, and as an officer of)
Daniel Chapter One.)

PUBLIC DOCUMENT

**[PROPOSED] ORDER DENYING MOTION TO MODIFY COMPLAINT
COUNSEL'S EXHIBIT LIST**

Upon Consideration of Complaint Counsel's Motion to Modify Complaint Counsel's
Final Exhibit List to Introduce New Evidence to the Court on the Issue of Respondents'
Financial Condition, and Respondents' Opposition thereto,

IT IS HEREBY ORDERED that Complaint Counsel's Motion is DENIED.

ORDERED:

D. Michael Chappell
Administrative Law Judge

Date:

CERTIFICATE OF SERVICE

I certify that on April 3, 2009, I filed, served or caused to be served or filed, as the case may be, the following documents on the individuals listed below by electronic mail, followed by Federal Express delivery:

Respondents' Reply to Complaint Counsel's Motion and Memorandum to Modify Complaint Counsel's Final Exhibit List and Introduce New Evidence to the Court on the Issue of Respondents' Financial Condition
[Proposed] Order Denying Motion to Modify Complaint Counsel's Exhibit List

The original and one paper copy via Federal Express and one electronic copy via email to:

Donald S. Clark
Office of the Secretary
Federal Trade Commission
600 Pennsylvania Avenue, NW, Room H-135
Washington, DC 20580
Email: secretary@ftc.gov

Four paper copies via Federal Express and one electronic copy to each to:

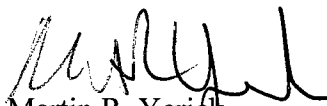
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Federal Trade Commission – Northeast Region
One Bowling Green, Suite 318
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One electronic copy to:

Elizabeth Nach, Esq. (enach@ftc.gov)

Two paper copies via Federal Express and one electronic copy to:

Hon. D. Michael Chappell
Administrative Law Judge
600 Pennsylvania Avenue, NW, Room H-106
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