Exhibit 5

SUPERIOR COURT OF NEW JERSEY LAW DIVISION, CIVIL PART HUDSON COUNTY, NEW JERSEY DOCKET NO. L-5473-12

MICHAEL FERGUSON, BENJAMIN) UNGER, CHAIN LEVIN, JO BRUCK, BEJAIA LEVIN Plaintiffs. TRANSCRIPT of VS. MOTION JONAH (JEWS OFFERING NEW ALTERNATIVES FOR HEALING F/K/A JEWS OFFERING NEW ALTERNATIVES TO HOMOSEXUALITY), ARTHUR GOLDBERG, ALAN DOWNING, ALAN DOWNING LIFE COACHING) LLC

Place: Hudson County Superior Court

Administration Building

595 Newark Avenue

Jersey City, N.J. 07306

Date: May 11, 2018

BEFORE:

HON. PETER F. BARISO, JR. J.S.C.

TRANSCRIPT ORDERED BY:

Defendants.

Bruce D. Greenberg, Esq. (Lite DePalma Greenberg LLC)

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THE COURT: -- number L-5473-12, Michael Ferguson et al. versus JONAH, et. al., return date for application in aid of litigant's rights and to enter an injunction. May I please have counsel's appearances, and would you spell your last name for the record for us? MR. KESSLER: Good morning, Your Honor. Thomas Kessler, K-E-S-S-L-E-R, Cleary Gottlieb Steen & Hamilton, on behalf of the plaintiffs.

THE COURT: Good morning.
MR. KESSLER: Good morning.

MR. DINIELLI: Good morning, Your Honor.

David Dinielli, D-I-N-I-E-L-I, of the Southern Poverty Law Center on behalf of the defendants.

THE COURT: Good morning.

MR. DINIELLI: Good morning.

MR. GREENBERG: Good morning, Your Honor.

Bruce Greenberg, G-R-E-E-N-B-E-R-G, from Lite DePalma Greenberg in Newark, also on behalf of plaintiffs.

THE COURT: Good morning.

MR. BROMLEY: Good morning, Your Honor.

James Bromley, B-R-O-M-L-E-Y, of Cleary Gottlieb Steen & Hamilton, on behalf of the plaintiffs.

THE COURT: Good morning and welcome.
MR. LAFFEY: Michael Laffey, L-A-F-E-Y,

from the Messina Law Firm on behalf of the defendants, Your Honor.

THE COURT: Good morning. Please be seated. All right. So as indicated this is an application filed by the plaintiffs in aid of litigant's rights seeking the court to find the breach of a settlement agreement, entering a judgement against the plaintiffs and also entering an injunction as to, let me get the right at -- since we're dealing with two acronyms here, JIFGA, J-I-F-G-A, Jewish Institute for Global Awareness.

The court has received the initial moving papers which had a brief as well as a certification with 15 exhibits, received opposition brief from counsel with exhibits attached, and then received a reply brief from plaintiffs with exhibits 16 through 56 as well as sealed exhibit number 35 and 55, un -- the sealed unredacted exhibits 35 and 55.

Any other documents that counsel are aware that were submitted to the court that have not listed?

MR. KESSLER: No, Your Honor. I'll just mention briefly that one of the exhibits to the initial (indiscernible) certification is the settlement agreement itself and there is also a sealed unredacted version of that document.

THE COURT: Yes. Okay. All right. So having reviewed all of that document, all of the documents just set forth, the court has some questions as well as issues that need to be addressed.

One of the first issues presented in opposition involves whether or not this application itself is in violation of the proposed settlement agreement. And that is because the settlement agreement provides that notice of a breach is to be given with a good faith belief as to why there was a breach and that the defendant has 30 days to cure the breach. There is language about an uncured breach, but even the language regarding an uncured breach seems to indicate that in the event of an uncured breach defendant shall have 30 days to pay the fee award. If defendants fail to timely make such a payment, then plaintiff shall file a motion.

So whether it's a curable or -- or uncured breach, don't you have to wait 30 days before you file this motion after you notify them?

MR. KESSLER: Your Honor, the opening motion that we filed with return date of 30 days was intended to be the notice. This is explicit from the opening motion itself. I'll direct the court to footnote 4 in which we -

THE COURT: Well, I know what you're arguing, but that -- I don't read the agreement that way.

MR. KESSLER: Your Honor --

THE COURT: It says if defendants fail to timely make such payment plaintiffs shall file a motion. It doesn't say you get to file the motion during that 30 days, not the way I read it anyway.

MR. KESSLER: Your Honor, I think that the

intent --

THE COURT: And that's assuming it's an uncured breach. I'm giving you the benefit of the doubt right now that it's uncured. Even your language as to an uncured breach still provides a 30-day period for the defendants to do something before you can file the motion, doesn't it?

MR. KESSLER: Your Honor, I think that the intent of the agreement is to provide defendants 30 days to cure the breach, or if it can't -- either if it can't be cured (indiscernible), then we can then seek relief from the court.

THE COURT: Well, then why does it day defendant shall have 30 days to pay?

MR. KESSLER: Because the defendants have the option -- theoretically, Your Honor, once they received our motion they could have paid the breach

damages.

THE COURT: No, no, no, no. Don't say when they received your motion. Let's talk about the language before it says filing a motion. Does it not say in the event of an uncured breach by defendants defendants shall have 30 days to pay plaintiff the fee award less that portion of the settlement sum that has been paid. If defendants fail to timely make such payment, plaintiff shall file a motion. Doesn't that provide the same 30 days as if it was a curable breach?

MR. KESSLER: Your Honor, I think it's important to focus on the definition of uncured breach. It -- it is either a breach that is not cured within 30 days of notice --

THE COURT: Right.

MR. KESSLER: -- or a breach that cannot be

cured.

THE COURT: I agree with you. Either way don't they have 30 days to do something?

MR. KESSLER: They have 30 days from the date of the uncured breach. In this case the uncured breach is the provision of the conversion therapy and the processing of the payments from the conversion therapy which has happened at various points over the last year.

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THE COURT: Not from when you notified them that you think there's a breach? They're supposed to know there's an uncured breach and that triggers the 30 days? What would be the purpose of notice?

MR. KESSLER: So the notice provision - THE COURT: Then you're saying they wouldn't need notice.

MR. KESSLER: The point of the notice provision, Your Honor, is to give them a chance to cure the breach if it can be cured or to pay before the 30 days. I think -

THE COURT: That's my point. And they're supposed to do that in 30 days before you can file a motion. You don't get to use the 30 days with the return date of the motion. I've never seen a notice provision interpreted that way when it says before a court action can be taken something has to be done in those 30 days. But you jumped the gun and filed all of this before those 30 days are up. I think that's a val—that's a valid argument that they're making. I understand what you're saying now, we're past the 30 days, they didn't pay the money, so where's the harm. The harm is I had to read all the stuff when I wasn't supposed to, cause the 30 days didn't pass yet.

MR. KESSLER: Well — well, I think—

THE COURT: It's not real harm, though. No, but that -- I think that's a legitimate argument, not fatal, but I think that in fairness I think you were supposed to wait the 30 days.

MR. KESSLER: So I think there are two points. The first is that the motion is -- seeks also

points. The first is that the motion is -- seeks also enforcement of the injunction and there's certainly nothing about the settlement agreement that prevents us from seeking --

THE COURT: Okay.

MR. KESSLER: the court to enforce the injunction. As Your Honor, notes irrespective -THE COURT: All right. That's why I said it's not fatal, but you should have waited the 30 days.
MR. KESSLER: I -- I certainly understand the court's position in that respect.

THE COURT: All right. Let me find out from your position. I have read all of this. I think I have my own idea. But you tell me what -- what were the four operations of JONAH?

MR. KESSLER: Your Honor, there was testimony at trial and throughout the prosecution of the case that JONAH's core operation -- among its core operations was the matching of clients to referral therapy providers and the processing of those client's

payments for that therapy. The defendants did that through JONAH directly. They also applied the label, JIFGA, which prior to the permanent injunction stood for the JONAH Institute for Gender Affirmation. That's a label they applied to certain of those services. Those are the exact services that defendants have admitted that JIFGA provides today.

THE COURT: You're saying that the defendants admit that what JIFGA does is match clients to therapy and accept payments? I -- I didn't see that admission. Where did they admit that?

MR. KESSLER: No, Your Honor. JIFGA did -in -- in fairness to defendants JIFGA does not appear
at least publicly to be matching new clients with new
referral therapists. What they do is they process the
payment of JONAH referral clients to pay for the
therapy they received from their JONAH referral
counselors.

THE COURT: Okay. And at least on what's in front of me the processing of the payments and the referrals at least at this juncture what I see in front of me is that those were all referrals that took -- were made by JONAH prior to the entry of the order?

MR. KESSLER: So that's right with respect to the referrals. The referrals themselves according

to defendants appear to have been made prior to the entry of the permanent injunction. The conversion therapy sessions that these clients are receiving and the payments that relate to those sessions are being received after the injunction.

THE COURT: Okay. Now, one other point that was raised in your initial brief. You indicate on page 6 that you learned for the first time that JONAH transferred assets directly to JIFGA on January 30, 2018. However, in the opposition papers counsel has provided the certification of dissolution and an e-mail that indicate that was sent on August 30, 2016. Is it correct then that you were aware in August of 2016 that they were transferred the remaining personal property was transferred to Jewish Institute for Global Awareness in New Jersey not for profit corporation?

MR. KESSLER: Your Honor is clear that -- it is true that on August 30 we learned that JONAH had transferred to JIFGA "any remaining personal property" including the balance of the bank account. But we did not know and could not have known until the receipt of defendant's letter on January 30th of this year that the referral agreements that are apparently contained in that remaining personal property were going to continue to operate and that it was the intention of

JIFGA to continue the operations of JONAH under this those referral agreements.

THE COURT: All right. Well, my -- my -- the reason I'm asking you that is you make a point in the paperwork that this was a previous acronym used, JIFGA.

MR. KESSLER: That's correct.

THE COURT: When you received this dissolution did you inquire or did you object to using this name acronym?

MR. KESSLER: No, Your Honor. We don't in the abstract have an issue with there existing something called the Jewish Institute for Global Awareness.

THE COURT: Okay.

MR. KESSLER: It's when that organization is being used to continue to work with JONAH that their use of the same acronym for the same services that that acronym was used for before becomes problematic and violative of the injunction.

THE COURT: Okay. All right. Regarding the issue of the referral fees, the court has a couple of issues, and I don't know whether or not the court's going to get answers to these.

In reviewing the paperwork when the dissolution was done it indicates the bank account was

\$199.55, correct?

MR. LAFFEY: Yes, Your Honor.

THE COURT: It also talks about referral fees from the providers that were being paid, were transferred I guess what we'd call them accounts receivable, if we want to use that term, although that -- I don't know they were receivable at the time.

MR. LAFFEY: No, no. Wait. They were -- THE COURT: Not an accountant, but --

MR. LAFFEY: They were a -- a contractual arrangement, a contractual right.

THE COURT: Okay. The concern or the question I have is it appears to me when I look at the exhibits attached to the moving papers, and specifically exhibit 15, these are 1099's from the Jewish Institute for Global Awareness to both Robert Vazzo (ph.) and Robert Morgan.

MR. LAFFEY: Um-hum.

THE COURT: It appears to me that it's the Jewish Institute for Global Awareness that are making the payments to the provider, not the other way around. It's not the provider paying a referral fee to JONAH which was then assigned the Jewish Institute of Global Aware -- where's that money coming from?

MR. LAFFEY: So -- so if you -- if

you'll see, judge, okay, there are -- and there are some where there's payments from those two doctors to JIFGA. So essentially there were two different arrangements. There were some arrangements where the client was paying the fee to JIFGA, okay, and they were forwarding the doctor's share to them and there others where they were paying the doctor and the doctor was then sending the share to JONAH or JIFGA.

THE COURT: All right. Well, if the client is paying the fee to JIFGA, then why is that not the same general operation as JONAH? I thought these were referral fees from the doctors. This appears to me to be that JIFGA is collecting money from the client.

MR. LAFFEY: For some of the clients, that

would be correct.

THE COURT: Well, then why isn't that the general operation, the same general operation as JONAH?

MR. LAFFEY: It's a small part of what JIFGA does, okay. It was an assignment of a -- a pre-existing contractual arrangement, that's true. But they were -- they weren't making any new referrals. These people weren't going to stop going to the therapists if JIFGA got -- did -- wasn't involved. And this -- this all predated the agreement, beside the fact that they -- both the doctors and the clients live

in other states.

THE COURT: I understand that that's an essential part of your argument. The problem I have is that the agreements and the injunction talk about in New Jersey.

MR. LAFFEY: Um-hum.

THE COURT: You are in New Jersey. So you're conducting business in New Jersey. No matter where you send the people it's originating in New Jersey and if these people are paying in New Jersey, and that's what my concern now is cause I couldn't tell from the paperwork it appears that these one or more of the 16 people are sending a check to JIFGA, not JONAH. Would that be accurate? We don't know the answer to that. I don't know if you know the answer to that, cause that's one of the issues that I'm grappling with. If you're not --

 $$\operatorname{MR.}$ LAFFEY: I -- my -- my understanding is that some of the payments were funneled through JIFGA.

THE COURT: That's --

MR. LAFFEY: Not all of them, but some of

them.

fee --

 $\,$ THE COURT: No, but, see, that presents an issue for me.

issue for me.

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MR. LAFFEY: Okay. Well, let --THE COURT: See, if it was purely a referral

MR. LAFFEY: Um-hum.

THE COURT: And my understanding of the referral fee would be Peter Bariso goes to Mr. Morgan and I'm paying Mr. Morgan \$100 per visit and Mr. Morgan then is sending to JIFGA whatever, I have no idea nor do I care what the referral agreement is, but he's paying JONAH --

MR. LAFFEY: Um-hum.

THE COURT: -- because he has an agreement with JONAH for 30 percent of whatever Peter Bariso pays Mr. Morgan.

MR. LAFFEY: Um-hum.

THE COURT: If those payments now are made by Peter Bariso to JIFGA, why isn't JIFGA being the same conduit that JONAH was --

MR. LAFFEY: Well --

THE COURT: Even though the referral predated the agreement it's the commerce. Isn't the money going to JIFGA the same way it went to JONAH?

MR. LAFFEY: I viewed -- I view, judge, that -- that business hap -- is not happening in -- in New Jersey --

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                 THE COURT:
                            How -- but how could you say
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       that?
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                 MR. LAFFEY:
                               -- because none of the part --
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       because none of the part --
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                 THE COURT:
                             The check's sent to New Jersey.
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                 MR. LAFFEY:
                               They --
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                 THE COURT:
                             How could you say it's not
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       happening in New Jersey?
                                 JIFGA's in New Jersey.
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       write a check to JIFGA, where am I sending it?
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                 MR. LAFFEY:
                               Well, just let me -- you know
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                 THE COURT:
                             See, if it was a referral from
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       another state and the doctor's sending it in, maybe I
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       might buy that argument. I'm now learning that Peter
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       Bariso sends the money to JIFGA.
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                 MR. LAFFEY:
                               Well, perhaps I can -- you
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       know, short circuit that whole argument, judge, by --
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       well, first of all, and I'm sure you -- you have some
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       questions about this, but we deny that any of those
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       people are getting that --
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                 THE COURT: All right. Well, that's okay.
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       You want to tell -- you want --
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                 MR. LAFFEY:
                             -- like there, but -- but -- but
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       before we even get to that, judge --
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                 THE COURT: Yes.
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                 MR. LAFFEY:
                               -- okay? If we had received
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       the -- if it -- the notice that we -- let me --
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                 THE COURT:
                             I know what you're going to say.
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       We'll get to that.
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                 MR. LAFFEY:
                                       You -- you don't --
                               No, no.
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                 THE COURT:
                             Go ahead.
                                         Go ahead. Go ahead.
 7
                               -- (indiscernible) with all due
                 MR. LAFFEY:
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       respect, Your Honor.
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                 THE COURT:
                            No, no. Go ahead. I'm sorry.
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                               If I had -- if I had gotten the
                 MR. LAFFEY:
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       notice, okay, my client had gotten the notice, all
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       right, to cure the default rather than them rushing the
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       court and issuing press releases, they would have found
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       out that JONAH -- that JIFGA stopped receiving these
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       payments in 2017.
                         The default was cured before they
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       even filed the motion.
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                 THE COURT: All right. Well, let's -- let's
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       talk about that then.
                             If it was a default, I know
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       you're not admitting it, if it was a default -- if it
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       was a default --
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                 MR. LAFFEY:
                               Um-hum.
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                 THE COURT:
                             -- you say they're curable.
                                                           How
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       do we cure it today?
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                 MR. LAFFEY:
                               Well, first I would argue that
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       it is cured because the arrangement is stopped.
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THE COURT: Well, okay. That's one argument. But if I don't accept that, how would we cure it today?

MR. LAFFEY: Well, if -- if, in fact, that's not satisfactory, if -- and we -- if we had been told that that's not satisfactory, my client would have -- after getting the notice my client would have simply returned all those referral fees to the doctors because it's not worth it for him to fight about it. And we're -- they -
THE COURT: Okay. Let's -- let's go beyond

THE COURT: Okay. Let's -- let's go beyond the referral fees. Let's talk about certifications. We have all these exhibits that were provided. We all have some recollection of a trial that took place here.

MR. LAFFEY: A vivid recollection, Your

Honor.

THE COURT: A vivid recollection. Okay. What other therapy did young men go to JONAH for? Cause all I heard during the trial was they went there for some -- some type of same sex counseling. Call it whatever we will. That's what I thought -- there was a disagreement over terms --

MR. LAFFEY: Um-hum.

THE COURT: -- but there was never a disagreement over what the counseling was for.

MR. LAFFEY: Well, I -- I -- because that

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type -- the other types of counseling weren't an issue, judge.
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THE COURT: All right.

MR. LAFFEY: They -- they gave counseling for other sexual dysfunctions. Men would come --

THE COURT: But -- but it was --

MR. LAFFEY: Men would come to them with --with --with other problems and they would make referrals for those other problems. They -- many times they happened to be gay men, but that doesn't mean that they wanted to change their sexual orientation.

And a perfect example is that, you know, one of the doctors says, hey, you know, two of the -- two of these clients or three, I forget what it was, are gay and they're happy that way and I'm not treating them for anything to do with that.

THE COURT: I know, but my concern is that JONAH, their own name $\ -$

MR. LAFFEY: Um-hum.

THE COURT: -- specified homosexuality.

MR. LAFFEY: Right.

THE COURT: That was what the -- the

organization was.

MR. LAFFEY: Well, for instance -

THE COURT: So I have two certifications from

people telling me they treated 16 individuals who were referred from JONAH and not one of them was there for some type of same sex therapy when they also say in the same certification, and perhaps it's a terminology, I'll give them that. It is a certification that they don't practice conversion therapy, but when I get the reply papers they're -- they're intimately involved with organizations that I heard throughout three weeks of trial that that's what they do.

MR. LAFFEY: Well, judge, first of all, Doctor Vazzo, you know, and I think it's a terminology issue with him, admits that he practices something called safety something, I forget exactly what it was, which -- which in all -- in all honesty would probably be considered conversion therapy by the defendants, okay. But he also explicitly points out that he's not providing that therapy to any of the clients on this list.

So at the very least there's a factual dispute, judge, as to whether or not these doctors are providing what would be termed conversion therapy.

THE COURT: You're -- you're correct, cause that was the next point that the court is concerned with is I'm being asked to make factual findings on paper. Is that a proper role for the court? Am I to

simply accept the opposition and assume that these two certifications are totally incredible? Can I do that on paper?

MR. KESSLER: Your Honor, we're not asking you to determine that they're incredible. In -- we agree with --

THE COURT: You want me to ignore them or just say that they're not accurate.

MR. KESSLER: Your Honor, what we're asking to do is to understand the certification from the language that they use in the context of the three-week jury trial that the court presided over and the entire factual record that exist in this case.

THE COURT: You want me to make factual findings of their words without them being present and without them testifying.

MR. KESSLER: I --

THE COURT: I understand what you want me to do. I'm just saying is that a role that the court should do at this juncture? I mean I agree with you. You've raised a lot of good inferences. They are intimately involved in organizations. I find it somewhat unusual that all 16 of these people were referred by JONAH and not of them was there for same sex or conversion therapy. Yes, I think that's

unusual, but does that mean I just reject the certification out of hand and enter an injunction disbanding this corporation? I think that's a bit extreme at this juncture.

MR. KESSLER: Well, again, Your Honor, I -- I don't think you need to reject the certifications.

For example, if you look at the Morgan certification, it lists a number of presenting problems that the clients are experiencing. These are the same presenting problems or what defendants refer to as underlying issues.

THE COURT: I -- I agree, but aren't those the same problems that someone can have that does not have same sex issues? Am I to assume that anybody who has those problems always has the same sex issue? I don't think I can do that.

MR. KESSLER: I don't think it's a question of assumption. I think it's a question of whether there's a true material fact in the -- in this dispute that admitted conversion therapists providing the same therapy, the same modalities described by defendants, their witnesses, and their experts for the same underlying issues described by the defendants, their witnesses, and their experts.

THE COURT: But --

MR. KESSLER: All leads to the conclusion that what the defendants are doing is engaging in conduct that, regardless of how the therapists choose to term it is as defined by the injunction conversion therapy.

THE COURT: Well, but he says none of the clients that are listed below were being treated for same sex attraction or receiving conversion therapy.

MR. KESSLER: That's functionally indistinguishable from the testimony of dozens of success story witnesses.

For example, Mr. Dijocaimo (ph.) who was confronted with an exam -- a -- a page of hist treatment notes -

THE COURT: Yes.

MR. KESSLER: -- that say nothing about same sex traction and said you know that wouldn't surprise me, that's not unusual, because really the crux of the therapy was to work on the underlying issues which I knew would cause a reduction or elimination of my same sex attraction and that was -- that's the point of it. But the actual mechanics of therapy, it's working on my childhood trauma, my issues of rejection of my father, my difficulty in forming friendships, and these are the same presenting problems listed in the certification.

THE COURT: They are, but the difference is I -- I don't have the testimony that you're -- like you gave me the testimony of the people who testified at trial. I don't have anything from these 16 people.

MR. KESSLER: Your Honor, what you have is --

THE COURT: I have what you can say is a strong inference that some of this might have been, that JONAH, their acronym, is -- homosexuality is in their title. You're -- I do recognize that it seems a bit far-fetched that 16 people that were referred by JONAH, none of them have any treatment for same sex attraction. But I still think we're missing a link for me to actually make a finding, the finding that you want me to make, that they breached a settlement agreement.

MR. KESSLER: Your Honor, I don't think that -- first of all, I think that the conclusory statements in the certification's about what it means to practice conversion therapy or what the -- what the treatment is designed to do are not the actual statement. It's conclusion -- it's conclusory statements that the court doesn't need to accept as fact.

THE COURT: Well, but they're conclusory statements of the person who's providing the treatment.

I have to accept that.

MR. KESSLER: Well, Your Honor, I think it's functionally no different than someone saying I'm not in breach of the contract. That's a conclusory statement. There's no fact behind that.

THE COURT: No, but this is -- but this is a licensed clinical social worker. He's saying a little bit more than I didn't breach the agreement. He's specifying what the treatment is that he's giving. And he's specifically stating that this is not same sex attraction or conversion therapy. And he's listing what it is.

I -- I -- you may disagree with that. I may disagree with it if he was in front of me and he was cross-examined. But that's the link that's missing here. I don't think I can just simply say, Mr. Morgan and Mr. Vazzo, I'm not accepting your certifications. But, you know, I -- I also understand, and this is the next point, is that while I think there's a material factual dispute the question becomes what road do we go down to see whether or not there truly are material factual disputes --

MR. KESSLER: Well, one --

THE COURT: -- because certainly I don't think I have the jurisdiction. I don't even know where

these people are. One of them I think is Texas. Is Morgan from Tex -- I don't even know where they're from?

MR. LAFFEY: I think -- one is in -- from the midwest as I recall and one is --

THE COURT: Cause I saw something on your opposition -- is Bobby Morgan the same as Robert Morgan? Doesn't it say he's in Texas?

MR. KESSLER: Yes.

MR. LAFFEY: Yeah. One -- one is in Texas and -- and the other I think is somewhere in the midwest, Your Honor.

MR. KESSLER: Your Honor, my understanding is that Robert Vazzo is based in Florida.

MR. LAFFEY: Oh, that could be.

THE COURT: All right.

MR. KESSLER: The -- before we get to how we would proceed down that road, Your Honor, one --

THE COURT: No. Go ahead, go ahead.

MR. KESSLER: One -- I think one important point to note is that as -- as Mr. Laffey pointed out this morning, it has been defendant's contention that the -- there were in some limited instances other therapies that were provided or that's certainly the -- the test -- or the statements referred today, I think

irrespective of whether the court is -- feels comfortable concluding that the therapy provided by the referral therapist at issue here is conversion therapy as defined by the injunction. Certainly the processing of payments and the deduction of referral fees from JONAH referral clients to JONAH referral therapists we believe violates the permanent injunction's requirements that JONAH ceased any and all operations within 30 days. So I think that's an independent basis on which the court defined if there's been a violation of (indiscernible) injunction.

THE COURT: Well, it -- I -- I think JONAH ceased the operations. The question is whether or not JIFGA is an alter ego of JONAH. JONAH ceased operations. I don't -- I don't think there's any dispute. They filed a certificate of dissolution.

MR. KESSLER: That -- that's right, Your

Honor.

THE COURT: The greation becomes the

THE COURT: The question becomes -- the argument really is -- is JIFGA an alter ego of JONAH. And -- and, again, while -- while payments were made to JIFGA I think in their mission statement and what they provided in their opposition they do other things that JONAH did not do. Would that be accurate?

MR. KESSLER: Well, Your Honor, I think it

would make this point in your reply that certainly Mr. Holburg (ph.) wrote articles when he was a co-director of JONAH. Certainly he met with religious leaders and community leaders in an attempts to educate them about the issues that were important to Jonah. That same work is continuing through JIFGA.

But I think the -- the important point here is that JIFGA is in all material respects a continuation of JONAH. I think Marshak v. Treadwell is directly on point and refers to the ability of a court to hold a successor and be liable for the -- for its actions that violate an injunction that apply to its predecessor where there's a continuity of ownership, a continuity of management, a continuity of physical location, a continuity of customer base and -and all of those factors are -- are present here. fact, the defendants have even gone so far as to reuse a name. There is simply no distinction between JONAH and JIFGA.

Mr. Laffey pointed out that this was supposedly a small part of what JIFGA does. But I'll note that the receipt of these funds from the JONAH referral therapists constitutes 95 percent of JIFGA's gross receipts in 2016. This was basically 100 percent of the money they received.

So I think it's difficult to suggest that JIFGA and JONAH are distinct entities that shouldn't be somehow -- that -- that JIFGA (indiscernible) be immunized from the conduct which is clearly violative of the permanent injunction.

THE COURT: All right. Let me ask you this. If they were notified that the -- the receipt of these referrals violated the agreement, would it not cure the breach if they refunded their referrals?

MR. KESSLER: It wouldn't, Your Honor. Even if we learned that what JIFGA did was accept the payments from the JONAH clients, put them in the JIFGA bank accounts, write new checks for the exact same amount deducting out a dollar for referral fee, that would nonetheless be a violation of the permanent injunction. And so a refund of the 50 percent or so that they capped in aggregate referral fees doesn't change the fact and can't take back -- back the fact that they were payment conduit for all of this therapy. So there's something -- nothing they can do to take the therapy sessions back or their role in them.

THE COURT: Did the agreement or the order or any exchange of information discuss at all referral fees for prior clients?

MR. KESSLER: Your Honor, we -- there was

never a suggestion at any point in the negotiation of the settlement agreement or the permanent injunction that JONAH would continue to receive referral fees from its prior clients. I think it's telling that the permanent injunction specifically contains a provision that allows Mr. Downing to continue practicing conversion therapy for a reasonable period after the entry of the permanent injunction to find suitable alternatives for those clients. We were never aware that it was the intention of the defendants, as is now clear from the outset of the entry of the permanent injunction that they would continue receiving referral fees. And there's nothing in the agreement that suggests that that was a permissible course of action. In fact, as Your Honor is aware, the permanent injunction specifically prohibits promoting conversion therapy-related commerce.

It's difficult to imagine what is more clearly conversion therapy-related commerce than accepting payments from conversion therapy clients and paying it to conversion therapists.

THE COURT: All right. Is there anything else that you want to add?

MR. KESSLER: Your Honor, I $\operatorname{\mathsf{--}}$ if you have no further questions I think that our $\operatorname{\mathsf{--}}$ our position

on this is clear, that, again, just to reiterate.

With respect to the certifications it -- it

-- we're not asking you to reject them. We're not
asking you to find them incredible. We're not asking
for any kind of credibility assessment. You can accept
the declarations, the facts contained in the
declarations or certifications on their face and
understand them through the lens of all of the
testimony that has been presented in this courtroom and
to Your Honor over the course of the trial -- over the
course of the trial and over the course of the entire
case to see that what the referral therapists are
describing is the same therapy that JONAH provided to
its client.

And so on that basis we would ask you to find that the defendants have violated the permanent injunction and also because they continue to process payments for JONAH clients, receiving therapy for -- from JONAH referral counselors, something that they readily admit.

THE COURT: Okay.

MR. LAFFEY: Judge, you know, there -- there was, I don't know if it came out at trial, but there was certainly testimony during depositions and discovery that JONAH provided referrals for other

sexual addictions like pornography. We don't even know for a fact how many of these men are gay. Okay?

The -- the certifications clearly state I'm not treating any of them for their same sex attraction. And you would also have to assume that the modalities that they're using are only used for same sex attraction. And -- and there is no testimony at trial which would lead you to conclude that in effect it's just not true. These modalities are used in -- in -- by many doctors for many different reasons. Okay?

But, once again, I think, judge, that we can shortcut this because this breach can be cured. Their — by their definition of an uncured breach, Your Honor, would make the — the language in the agreement a breach can be cured completely relevant because there aren't any circumstances I could imagine where a breach could be cured.

So, you know, the solution to this is give us a notice, okay. We've already stopped receiving the payments and we'll send back every dime to the therapists. Simple.

MR. KESSLER: Just very briefly, Your Honor. Briefly points one, again, Mr. Laffey's demonstration that JONAH processed payments for its clients for therapy, whatever kind of therapy they want to call it,

therapy for -- from JONAH referral counselors. That is the same activity that is undisputed. The certifications readily admit that the referral therapists received money directly from JIFGA on account of the therapy sessions they provide JONAH referral clients.

The second point is that, again, I -- for the reasons we've discussed earlier, returning the referral fees is simply not a method through which these breaches can be cured. They are by their definition uncured breaches. They are incapable of being cured.

And finally I'll say --

THE COURT: Well, why wouldn't it be cured if they returned the money? Isn't the fact that they accepted the money or that's the commerce that they made income off of Jonah's operation?

MR. KESSLER: What I --

THE COURT: Isn't that the breach?
MR. KESSLER: What I understand --

THE COURT: They did not -- in other words, the clients did not come into JIFGA and were referred to these individuals. The breach is accepting the money that was going to JONAH.

MR. KESSLER: Your Honor, that money is no longer in the possession of JIFGA. It's out the door.

1 The -- the portion of --2 THE COURT: Well --3 MR. KESSLER: -- their referral fees may 4 But if the -- the nearly \$40,000 that they 5 have sent to the referral therapists, that's -- that's 6 done. And, more importantly, the conver -- the therapy 7 sessions that were -- that took place only after JIFGA 8 facilitated these payments have also been done. 9 those sessions can't be undone --10 THE COURT: Well, the sessions --11 MR. KESSLER: -- nor can defendants 12 involvement. 13 THE COURT: -- can't be undone. But would it 14 have matt -- but -- but obviously the individuals 15 wanted to keep going for the therapy. You're not --16 you're not asserting that JIFGA forced them to go. 17 MR. KESSLER: Certainly not. If --18 THE COURT: So whether they paid the doctor 19 or they paid JIFGA, they wanted the therapy I assume. 20 I don't know. I didn't -- I have nothing before me 21 that says they were instructed to go there by JIFGA. 22 The question here is an exchange of money, right? 23 That's right, Your Honor. MR. KESSLER:

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doesn't that cure that part of the breach, the economic portion?

THE COURT: So if they refund the money, why

MR. KESSLER: Well, it's important to -- to keep in mind that when they -- they talk about refer -returning the money they're referring specifically to the referral fees.

THE COURT: No, no. They're -- no. Well, if they are, they're wrong. Any money that was given to JIFGA by JONAH clients is the breach.

That's right. MR. KESSLER:

THE COURT: That's what has to be refunded, not just the referral fees to the doctor.

MR. KESSLER: Your Honor, I think when we're thinking about -

THE COURT: Well, I'm not -- you know what. I'm not giving advisory opinions. They have 30 days to cure the breach. I will allow you, however, because I'm not going to decide based on what's in front of me the -- one of the criteria's that's necessary. And that is whether or not they are the alter ego or conduct a business of JONAH.

I -- I am not comfortable making that decision on paper. So I will allow you to take postdepositions of Mr. Goldberg where you can ask Mr. Goldberg questions about where the money came from,

what these 16 people came to JONAH for, since he was the owner of JONAH, and you can get the information to demonstrate to the court in a subsequent application whether or not they were the alter ego of JONAH during '16 and '17.

MR. KESSLER: Your Honor, on the issue of -- of discovery, I think Mr. Goldberg's certification is clear that he doesn't have a memory of why these individuals came to JONAH.

THE COURT: Well, you're going to see if he has records. And if he destroyed those records and they weren't turned over to JIFGA, as it says all personal property, that's an issue you can raise in a subsequent motion.

MR. KESSLER: So then just to be clear, Your Honor.

THE COURT: I'm not going to give advisory opinions. If you want to have an opportunity to demonstrate to the court that JIFGA meets all four criteria of the alter ego of JONAH, the one point that this court cannot and will not rule only on the papers is whether or not JIFGA is the same general operation which is the language from the case you cited, the same general operation as JONAH. If you want to try to prove that, I will allow you the opportunity to depose

Mr. Goldberg and request records to demonstrate to the court that in fact in 2016 and 2017 JIFGA's oper - general operations were the same as JONAH, if you want. You don't have to depose him. I'm just going to grant your motion based on what's in front of me. And I will allow 30 days to the defendant to cure the breach regarding the payments. Whether you agree that it's cured or not, that can also be a subsequent application to the court. But I'm going to give them 30 days to do what they think they can do to cure the breach. If you disagree with them -- with that, that's another application you can make.

MR. KESSLER: Understood, Your Honor. I - THE COURT: I do feel there was a breach. That I will find. I think there's no dispute that there was a breach. I disagree that latches applies to the breach.

However, I do believe defendants are entitled to 30 days to cure the breach and the 30 days will run from today. They know what the breach is. They'll decide whether they want to cure it and how you want to cure it.

I think the breach is any money that was turned into JIFGA directly by JONAH clients, cause it appears to me, and again it's not in front of me, but

based on what I've seen it is JIFGA that issues the 1099, not the doctors. So the implication to me is that clients pay JIFGA. JONAH clients pay JIFGA. If that is accurate, this court finds that any payments made by JONAH clients to JIFGA is a breach of the settlement agreement. And I'll afford you 30 days to cure that breach.

MR. LAFFEY: Can I ask a question? THE COURT: Yes.

MR. LAFFEY: And we admit that -- that was the case for some of the payments. For other payments the referral fee that the doctor was paid and JONAH received a referral fee for some of these clients. Is the receipt -- are you finding that the receipt of that referral fee is a breach?

THE COURT: Yes. I think it's commerce and I think it's commerce that was generated by JONAH clients.

MR. LAFFEY: Thank you for that clarification.

THE COURT: Okay.

MR. KESSLER: Your Honor, finally on the issue of discovery. I just want to note for the court we're happy to -- to proceed on this basis with a request for documents and a deposition of Mr. Goldberg

and -- and we'll --

THE COURT: Limit it to the issue of whether or not JIFGA is the same general operations as JONAH.

MR. KESSLER: Understood. And -- and I'll just say that we may reserve for another time to come back to the court if you feel like additional discovery is necessary.

THE COURT: Okay. All right. So I do believe I will -- I will find that there was a breach. However, I find that the motion was premature, that under the agreement defendants should have been afforded 30 days to cure the breach. I don't find that the breach at this juncture is incurable. So I will afford defendants 30 days to cure the breach. breach is any money accepted by JIFGA in any way related to former clients of JONAH, whether that money came from providers, from Jim, from People Can Change, from anyone if it involves prior clients of JONAH and the money was given to JIFGA, that's the breach. allow you an opportunity of 30 days to cure that breach and demonstrate to the plaintiffs that you cured the If you're not satisfied that the breach was cured, at that point then you're entitled to your application. I will hold onto the documents that both sides submitted. So even though I'm telling you you'd

have to file a new application if you're going to refer to what has previously been filed and either side has to duplicate that. Okay?

MR. KESSLER: Understood. Your Honor, one just clarification. When you're referring to a breach, is it correct that the court is finding that it's a breach, both of the permanent injunction and of the settlement agreement.

THE COURT: Well, if it's the same language.

MR. KESSLER: It is.

THE COURT: Yes. But I'm allowing them an opportunity to cure it --

MR. KESSLER: Understood.

THE COURT: -- cause your settlement

agreement gives them 30 days to cure.

MR. KESSLER: With respect to the settlement agree. Understood.

THE COURT: Yes.

MR. KESSLER: In regards to whether or not it meets all the criteria of an alter ego and that I should permanently enjoin JIFGA from continuing their operations I'm denying that without prejudice at this time --

THE COURT: Understood.

MR. KESSLER: -- and affording you an

opportunity if you wish to serve a document demand and depose Mr. Goldberg as to the issue of general operations of JONAH and general operations of JIFGA.

MR. KESSLER: Understood. Your Honor, we're happy to discuss with the defendants, but if -- if the court has any thoughts on timing or the sense of when Your Honor would like this discovery to be completed.

THE COURT: When would I like it? I wouldn't like it back at all. But it's a post-judgement application. I mean, you know, I'll -- I'll give you -- I mean I don't -- I'm not going to sit here and do a case management order. It's a post-judgement application. I think the attorneys will be reasonable. I mean I don't see why a document demand or whatever documents can't be provided within 30 days and then a deposition completed within 60. But I'm not going to put that in the order. That's just my -- I don't see why it should take longer than that.

MR. KESSLER: Understood. Thank you, Your Honor.

THE COURT: And then they have 30 days to cure the breach. They'll notify you what they've done. If you're not satisfied that it's cured, you'll take whatever action you deem appropriate. But I'm just telling you that in -- in my opinion I -- I -- I think

it's curable. But, you know, if you're not satisfied with the actions they took and you don't believe it's cured, you'll take whatever action you deem appropriate.

MR. KESSLER: Understood. Thank you, Your Honor.

THE COURT: Okay? And I'm not going to award counsel fees at this time for the same reasons that I said. I thought that this was premature and I think that the defendants' entitled to 30 days to cure the breach. However, if after discovery you're able to prove that JIFGA is an alter -- alter ego of JONAH, we'll -- we'll address counsel fees for that part of the application at that time, if necessary.

MR. KESSLER: Understood.

THE COURT: All right? I'm looking at the proposed order here. It's kind of long. I'll tel you what. Why don't you submit an order as rather than me cross out 17 paragraphs. Submit an order, provide it to counsel first, all right. And then if you agree, which I hope you will, it's not that, then you can send it to me and I'll enter it.

MR. KESSLER: Okay. Will do. THE COURT: All right? Okay. MR. KESSLER: Thank you, Your Honor.

THE COURT: Off the record.

(Off-the-Record)

I, KAREN A. ANTERO, the assigned transcriber, do hereby certify the foregoing transcript of proceedings in the Superior Court of New Jersey on May 11, 2018, digitally recorded, index number from 10:01:47 a.m. to 10:49:53 a.m., is prepared to the best of my ability and in full compliance with the current Transcript Format for Judicial Proceedings and is a true and accurate compressed transcript of the proceedings as recorded.

Karen antero

May 21, 2018

Karen A. Antero, AOC #106