## IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLORADO

CALEB STOLL, et	al.,	)	
	Plaintiffs,	)	
vs.		)	1:08-cv-01798-RPM
CHRISTIAN WORLD CHRISTIAN WORLD FOUNDATION, INC	ADOPTION	)	
	Defendants.	)	

## MOTION HEARING TRANSCRIPT OF PROCEEDINGS

\_\_\_\_\_

Proceedings held before the HONORABLE RICHARD P.

MATSCH, U.S. District Judge for the District of Colorado,

beginning at 1:58 p.m. on the 1<sup>st</sup> day of June, 2009, in

Courtroom A, United States Courthouse, Denver, Colorado.

## **APPEARANCES**

For the Plaintiffs: Jonathan Marshall Sirkis, Esq.

Jon Sirkis, LLC

1911 11<sup>th</sup> Street, #301 Boulder, Colorado 80302

For the Defendants: Marni Nathan Kloster, Esq.

J. Andrew Nathan, Esq.

Nathan, Bremer, Dumm & Myers 3900 E. Mexico Avenue, #1000

Denver, Colorado 80210

Proceedings recorded by electronic sound recording; transcript produced by transcription service.

## 1 PROCEEDINGS 2 (At 1:58 p.m. on June 1, 2009, in the United States 3 District Court at Denver, Colorado, before the HONORABLE RICHARD P. MATSCH, U.S. District Judge, with counsel for the 4 parties present, the following proceedings were had:) 5 6 THE COURT: Be seated, please. 7 This is Civil Action 8-CV-1798, Caleb and Jessica 8 Stoll against Christian World Adoption and Christian World 9 Adoption Foundation, Incorporated. We're here on the 10 defendants' motion to compel arbitration. 11 So, Mr. Sirkis for the plaintiff? Yes, Your Honor. 12 MR. SIRKIS: 13 THE COURT: Plaintiffs. Mr. Nathan for the defendants? 14 MR. NATHAN: Yes. Mr. Nathan and Ms. Kloster. 15 THE COURT: So, the briefing has been on the applicability of the Federal Arbitration Act, and the 16 17 question raised by the plaintiff has been the South Carolina 18 statute concerning arbitration. But, I have a number of 19 questions related to the pleadings that have been filed since 20 the motion to compel arbitration, that is, the amended 21 complaint and the answer to the amended complaint. So, Mr. 22 Nathan, I'll ask these questions of you. 23 I don't understand exactly the relationship between 24 Christian World Adoption and Christian World Adoption 25 Ethiopia and Children's' Cross-Connections Ethiopia.

- 1 Plaintiff refers to--plaintiffs refer to them as being
- 2 controlled by your client. You refer to them in the answer
- 3 as international affiliates. Now, I don't have any idea what

- 4 that means, but as I understand the substance of this case,
- 5 much of what occurred was in Ethiopia.
- 6 MR. NATHAN: Yes, Your Honor.
- 7 THE COURT: And, therefore, the acting--the people who
- 8 were doing the acting here, including this Ms. Fraker
- 9 (phonetic), appear to be employees or associated in some way
- 10 with Adoption Ethiopia. So, I'm not sure, you know, if
- 11 there's a--some of these claims have validity, it would seem
- 12 to be because of the actions of the people with these
- 13 organizations in Ethiopia.
- 14 MR. NATHAN: Well, Your Honor requested the scheduling
- 15 conference, which was held some time ago, we did an
- 16 investigation into--
- 17 THE COURT: Yeah.
- MR. NATHAN: --who did what to whom. And, wrote Mr.
- 19 Sirkis a letter explaining what we had learned, and some of
- 20 the people involved are agents, and we have identified those,
- 21 of Christian World Adoption, and some we contend are not.
- 22 So, we did an analysis of who was who. But, what we've said
- 23 in the briefing is that Christian World Adoption and
- 24 Christian World Adoption Foundation are two separate distinct
- 25 entities, and that Christian World Adoption Foundation has

- 1 nothing to do with this case.
- THE COURT: Right. But, I'm talking about what
- 3 Christian World Adoption's responsibility is for what was

- 4 done by Christian World Adoption Ethiopia and Children's
- 5 Cross-Connection Ethiopia.
- 6 MR. NATHAN: And--
- 7 THE COURT: These seem to be the people on the ground,
- 8 so to speak.
- 9 MR. NATHAN: I agree, and without reviewing that letter,
- 10 I would not be able to answer that question. If you'd like
- 11 me to do so, I will, Your Honor.
- 12 THE COURT: Well, if it is the Christian World Adoption
- 13 is responsible for these entities and what they did in
- 14 Ethiopia, I don't think the arbitration is going to solve it.
- MR. NATHAN: And, why is that, Your Honor?
- 16 THE COURT: Well, because that isn't part of the
- 17 agreement. There isn't anything in the agency agreement that
- 18 refers to these entities.
- 19 MR. NATHAN: But, those entities aren't sued, Your
- 20 Honor. They haven't been named in the--
- 21 THE COURT: That's why I'm asking whether there's a
- 22 respondeat superior liability for what they did.
- 23 MR. NATHAN: And, all I can tell you right now is that
- 24 we've gone through it and determined for whom these people
- 25 are acting as agents, and have advised Mr. Sirkis of that.

- 1 But, I just don't recall it at this point right now, Your
- 2 Honor.
- 3 THE COURT: Well, your purpose in proceeding to
- 4 arbitration is to have the arbitrator enforce the exculpatory

- 5 clause; right?
- 6 MR. NATHAN: My purpose is to have the arbitrator
- 7 determine all the issues between the parties, including the
- 8 exculpatory clause.
- 9 THE COURT: And, your contention here is that this South
- 10 Carolina statute doesn't have anything to do with this?
- 11 MR. NATHAN: My contention is is that state law, which
- 12 affects the viability of contracts itself, as determined by
- 13 the Buckeye case, applies in this type of an analysis, but
- 14 state law that applies to arbitration agreements, which is
- 15 what the South Carolina statute is, does not. The Federal
- 16 Arbitration Act preempts those laws.
- 17 THE COURT: That's it?
- 18 MR. NATHAN: That's my argument.
- 19 THE COURT: Yes, okay. Well, you made it. Mr. Sirkis?
- MR. SIRKIS: Yes, Your Honor.
- 21 THE COURT: Why do you have your tie undone?
- 22 MR. SIRKIS: I'm sorry? Oh. I apologize.
- 23 THE COURT: Thank you.
- MR. SIRKIS: Thank you, Your Honor.
- 25 If I may, with regard to the question you asked, we

1 have evidence that shows that -- from a former employee, that

- 2 shows that CWAE and Children's Cross-connection of Ethiopia
- 3 were in fact agents.
- 4 THE COURT: Yes. And, who is that? I mean, who--
- 5 MR. SIRKIS: Tracy Fraker--I'm sorry--Michelle Gardner,
- 6 former employee.
- 7 THE COURT: Of whom?
- 8 MR. SIRKIS: CWA United States. And, she was the person
- 9 who first set these operations up, and she would be willing
- 10 to testify to that, if that's necessary.
- 11 THE COURT: Well, you agree the Foundation is not a
- 12 proper party, don't you?
- 13 MR. SIRKIS: I believe that the Foundation is an alter
- 14 ego of CWAE--of CWA. I believe the Foundation is run by the
- 15 same person, and that its--
- 16 THE COURT: Yeah, but its purpose, as I understand it,
- 17 is to collect money as a charity.
- 18 MR. SIRKIS: It appears to be. But, it also appears
- 19 that they have taken--and, I do not have--I do not have
- 20 evidence to present at this time, but--
- 21 THE COURT: Well, what do you know about Christian World
- 22 Foundation?
- 23 MR. SIRKIS: I know that it's an organization that is so
- 24 closely linked to Christian World Adoption that it's
- 25 difficult to tell what they do. They have a different tax

1 status, but the same person runs it. It appears that what

- 2 they--and, again, it's difficult to tell because we don't
- 3 have access yet to information about them, but it appears
- 4 that they take some of this money and actually do some of the
- 5 work that CWA claims--or, that CWA takes credit for.
- 6 So, for example, the orphanage, it appears that one
- 7 of the orphanages under Children's Cross-connection was paid
- 8 for by CWAF. So, the orphanage was actually paid for by this
- 9 organization, yet CWA retains control. It appears that it's
- 10 an alter ego. Now, I do not have conclusive evidence of
- 11 that, but that's what it appears. That's why they're
- 12 included. And, that is the substance of my argument in that
- 13 regard.
- 14 THE COURT: But, the mix-up of the children occurs, as
- 15 far as you know, in Ethiopia in the orphanage?
- MR. SIRKIS: In several places.
- 17 THE COURT: Or not?
- MR. SIRKIS: Including the orphanage, yes, Your Honor.
- 19 It was not one act. It was a series of acts. It was a
- 20 series of misrepresentations.
- 21 THE COURT: And, is one of these either Ethiopia,
- 22 Adoption Ethiopia, or Connections Ethiopia, go through the
- 23 bureaucracy and the court process that is necessary to
- 24 achieve the adoption under Ethiopian law?
- MR. SIRKIS: It appears that CWAE did this. But, again,

1 it also appears that CWA--I think, I'm not sure if the other

- 2 side has admitted this, but I believe, and I could be wrong,
- 3 but I believe they have essentially admitted that CWAE is an
- 4 agent of--
- 5 THE COURT: Well, they said an international affiliate.
- 6 MR. SIRKIS: Okay.
- 7 THE COURT: That's the language that I asked Mr. Nathan
- 8 about.
- 9 MR. SIRKIS: I'm not sure what that means.
- 10 THE COURT: Well, that's what I said.
- 11 MR. SIRKIS: Yes, they went through this process, but
- 12 they went through the process knowing that they had given the
- 13 wrong child--
- 14 THE COURT: Yeah.
- 15 MR. SIRKIS: And, that's the substance of our claim.
- 16 THE COURT: What I'm getting to is the actors--
- 17 MR. SIRKIS: Yes, Your Honor.
- 18 THE COURT: -- the people who are responsible for this,
- 19 to your understanding, are people working with CWAE and CCCE?
- 20 MR. SIRKIS: And CWA itself, Your Honor.
- 21 THE COURT: Yeah.
- 22 MR. SIRKIS: Tracy Fraker is an employee of CWA United
- 23 States, and she was the one who gave false information.
- 24 THE COURT: But, is she in South Carolina?
- 25 MR. SIRKIS: I believe she is, Your Honor, yes.

1 THE COURT: And, how did your clients get mixed up with

- 2 these people? Was it through the internet or--
- 3 MR. SIRKIS: No, Your Honor, it was through a church.
- 4 They were approached--where they approached someone who was a
- 5 sales representative of CWA that works through churches in
- 6 Colorado. They have a sort of marketing outreach that they
- 7 do, and these people are paid--we understand that they're
- 8 paid on a commission, and they seek out people to do
- 9 adoptions. They advertise on the internet locally. They go
- 10 to church groups and they seek people out to do these
- 11 adoptions, and that's how Caleb and Jessica met them. I
- 12 think Caleb and Jessica were 22 or 23 at the time, something
- 13 like that.
- 14 THE COURT: Now, is this one child's immigration status
- 15 been resolved?
- MR. SIRKIS: Unfortunately, both child's immigration
- 17 statuses are not resolved, and there are serious--they can't
- 18 get Social Security numbers, they have no legal status at
- 19 this point. We're concerned about the--I think ultimately,
- 20 we will prevail. I'm an immigration attorney as well. I
- 21 believe that we will prevail against CIS, but they could face
- 22 deportation.
- 23 THE COURT: On the legal issue that's briefed, your
- 24 position, as I understand it, is that this agreement is not
- 25 valid in South Carolina.

- 1 MR. SIRKIS: Our agreement--
- 2 THE COURT: I'm talking about the arbitration clause in

- 3 the agreement.
- 4 MR. SIRKIS: Yes, Your Honor. And, my position--
- 5 THE COURT: As well as the exculpatory clause.
- 6 MR. SIRKIS: Yes, Your Honor. My position is similar to
- 7 that. I believe the exculpatory clause is voidable, or void.
- 8 But, I believe there never was an arbitration agreement.
- 9 There was never the intent by the Stolls to agree to
- 10 arbitration. The arbitration language is mentioned in an
- 11 indemnify and hold harmless clause as Part B. If you will
- 12 notice, that's what is listed under--
- 13 THE COURT: Yes.
- 14 MR. SIRKIS: The Stolls have indemnified CWA for
- 15 everything. It's a complete exculpatory clause and
- 16 indemnification. It's clear that the arbitration clause
- 17 applies only by actions of CWA against my clients. There's
- 18 no other logical reading of it. They have completely
- 19 indemnified them. So, even if they went to arbitration, were
- 20 they to get a judgment, they'd have to pay that and costs
- 21 back to CWA. I think it's clear that the arbitration
- 22 agreement--
- THE COURT: I didn't follow your argument.
- MR. SIRKIS: Sorry.
- 25 THE COURT: I'm looking at the Section 8, hold harmless,

- 1 which has two clauses, A and B.
- 2 MR. SIRKIS: Yes, Your Honor.
- 3 THE COURT: And, A says the adoptive parent agrees to

- 4 indemnify the agency.
- 5 MR. SIRKIS: Yes.
- 6 THE COURT: All right.
- 7 MR. SIRKIS: For any cause whatsoever. Part B says that
- 8 the parties shall arbitrate all claims, but although it's
- 9 badly worded and ambiguous, what that means to me is that the
- 10 only claims left are the claims by CWA against Caleb and
- 11 Jessica. It can't really have any other meaning. It would
- 12 be an absurd result to say that you have the right to
- 13 arbitrate, but you've indemnified the other parties, so,
- 14 therefore, if you arbitrate and win, you pay us the money
- 15 anyway.
- 16 THE COURT: Oh, I see what you're saying.
- 17 MR. SIRKIS: Yes. There was no intent at the beginning
- 18 for Caleb and Jessica to arbitrate. And, in fact, CWA, as
- 19 you've just heard a minute ago, they said that in
- 20 arbitration, they would move to dismiss because Caleb and
- 21 Jessica have waived all their rights and indemnified CWA,
- 22 which is true. They have. And, that, regarding the
- 23 interpretation of the contract, means that there is no
- 24 arbitration agreement.
- 25 THE COURT: Well, you know, the Supreme Court, as you

1 know, way back when it did the Prima Paint (phonetic), and

- 2 then more recently, in the Buckeye Check Cashing, has always
- 3 seemed to me they got it backwards, but then, it's the
- 4 Supreme Court, because as I understand the law under Federal
- 5 Arbitration, that if the validity of the agreement, the
- 6 contract, which contains an arbitration clause, is disputed
- 7 for whatever reason, the arbitrator decides whether there's a
- 8 valid contract. If, however, the challenge is to the
- 9 arbitration clause in the contract, the court decides. And,
- 10 in this case, your challenge is to the arbitration clause in
- 11 the contract.
- 12 MR. SIRKIS: The arbitration clause itself. We're
- 13 saying that there isn't one.
- 14 THE COURT: But, you're not challenging the hold
- 15 harmless clause as invalid, but unenforceable, saying it's
- 16 unenforceable; is that it?
- MR. SIRKIS: What I'm saying, Your Honor, is the hold
- 18 harmless clause has to be read with the arbitration portion
- 19 of the hold harmless clause to determine the intent of the
- 20 parties. And, yes, we do believe that after that analysis,
- 21 the hold harmless clause will be thrown out, certainly--
- 22 THE COURT: You're not challenging the agency agreement
- 23 as a contract. In fact, you're suing under it.
- 24 MR. SIRKIS: That's right.
- 25 THE COURT: For a breach.

- 1 MR. SIRKIS: That's right.
- 2 THE COURT: But, the challenge is to that particular
- 3 clause. So--
- 4 MR. SIRKIS: Just to the arbitration clause, Your Honor,

- 5 yes.
- 6 THE COURT: And, then, the other provision--
- 7 MR. SIRKIS: Once we get past the arbitration clause, if
- 8 the Court will hear the case, then we would challenge that.
- 9 THE COURT: Do you know--there's so many ways to find
- 10 out information these days, that I don't know. Do you know
- 11 any more about this Christian World Adoption Ethiopia and
- 12 Cross-connections Ethiopia than what's been said here?
- MR. SIRKIS: I know a little bit more, in that I had--
- 14 THE COURT: Did you look them up on the internet, or
- 15 something?
- MR. SIRKIS: Yeah, we've certainly done that, Your
- 17 Honor. But, I've spoken with a former employee of both, who
- 18 is a key employee, not just--
- 19 THE COURT: Yes. Well, are they organized under the
- 20 laws of Ethiopia?
- 21 MR. SIRKIS: Organization, it appears that they have
- 22 registered with Ethiopia, so it appears that they have done
- 23 what little needs to be done over there. That's my
- 24 understanding, that they are recognized there. I don't know
- 25 what that entails specifically, but I know that they have

1 permission to do what they're doing. They appear to be in

- 2 violation of the law in Ethiopia.
- 3 THE COURT: Well, the Stolls at one time retained a
- 4 lawyer in Ethiopia.
- 5 MR. SIRKIS: They did, Your Honor.
- 6 THE COURT: Have you been in communication with that
- 7 person?
- 8 MR. SIRKIS: I have--I don't speak inhirac (phonetic),
- 9 so I--they have retained another attorney in DC--
- 10 THE COURT: Yeah.
- 11 MR. SIRKIS: --who speaks English and inhirac, and we
- 12 kind of go back and forth that way. And, it was through him
- 13 that we--the guy in Ethiopia, his name is Hilou, they often
- 14 go by one name, and Hilou attempted to get--it gets a little
- 15 confusing--Terriquitis Fia (phonetic), who is now known as
- 16 Daria--Terriquitis Fia was languishing in an orphanage even
- 17 though they had legally adopted her by accident, because of
- 18 all of this--
- 19 THE COURT: Yeah, both couples agreed to keep the baby
- 20 they got.
- 21 MR. SIRKIS: Yeah, different babies.
- 22 THE COURT: Yes. But, I mean, we had a switch here--
- MR. SIRKIS: Three-way switch, yes.
- 24 THE COURT: Yes. The other couple decided that even
- 25 though this isn't the right baby they thought they were

- 1 getting, they would keep her.
- 2 MR. SIRKIS: That's right.
- 3 THE COURT: The same with your clients.
- 4 MR. SIRKIS: Exactly.
- 5 THE COURT: Instead of going through this unwinding the

- 6 confusion.
- 7 MR. SIRKIS: Yes. And, there was no emotional
- 8 connection made--
- 9 THE COURT: I mean, I understand that as a matter of not
- 10 only their interest, but the interest of the child.
- 11 MR. SIRKIS: Yes, Your Honor.
- 12 THE COURT: The two children. Well, it's a strange set
- 13 of circumstances. And, so, given that the immigration status
- 14 of these children has not been clarified, there's ongoing
- 15 damages, or--is that your position?
- MR. SIRKIS: Yes, there are ongoing, and that's one of
- 17 the things we're claiming for, is the ongoing damages,
- 18 particularly the fees, costs and emotional trauma of
- 19 potential deportation.
- 20 THE COURT: But, that's being handled by counsel
- 21 different from you?
- 22 MR. SIRKIS: It's--I'm handling part of that, and then
- 23 other--
- 24 THE COURT: Somebody with immigration expertise?
- 25 MR. SIRKIS: I actually do immigration law as well.

- 1 THE COURT: Oh, you do.
- 2 MR. SIRKIS: I do.
- 3 THE COURT: Okay, I didn't know.
- 4 MR. SIRKIS: Yes, Your Honor. So, that is ongoing, and

- 5 obviously of great concern.
- 6 THE COURT: Well, is that in the immigration court?
- 7 MR. SIRKIS: No, it has not gotten to court yet. The
- 8 first step in immigration is you have to go through an
- 9 administrative procedure.
- 10 THE COURT: Yeah.
- 11 MR. SIRKIS: And, before you go through the
- 12 administrative procedure, we had to go through a civil
- 13 procedure in domestic relations court regarding this problem.
- 14 That was resolved fairly recently, and we're in the process
- 15 of figuring out how we're going to approach this. There are
- 16 a number of different ways, and actually two different
- 17 agencies can be approached to do this. One possibility is to
- 18 avoid--possibility, to avoid CIS altogether, and go through
- 19 the State Department. We have support from the State
- 20 Department. In Ethiopia, they have written letters
- 21 explaining what happened. So, I think on the equities, we
- 22 have a good case. But, we're dealing with a very large
- 23 bureaucracy that very often doesn't take details into
- 24 account, and can cause--
- 25 THE COURT: And, I don't--you know, is there some

- 1 international--well, apparently, there's the Hague
- 2 Convention, of course.
- 3 MR. SIRKIS: Yes, Your Honor.
- 4 THE COURT: But, Ethiopia is not a member?
- 5 MR. SIRKIS: The agencies themselves are certified by

- 6 the Hague Convention, and I do not know if Ethiopia is a
- 7 signatory to the contract, but I think they may well be. I
- 8 can't say for sure. But the agencies have to be certified by
- 9 the Hague Convention, and it's not clear at this point if CWA
- 10 has received their certification or not. I know they were in
- 11 the process of receiving--or, applying for it. I don't know
- 12 what happens if you're not a signatory, but I know that a lot
- 13 of countries are cracking down. They want people to be
- 14 approved by the Hague, and I don't know the details.
- 15 THE COURT: Now, does the Hague Convention have some
- 16 provision applicable to this kind of a problem with respect
- 17 to the laws of immigration and the reverse?
- 18 MR. SIRKIS: No, Your Honor, not regarding immigration.
- 19 I believe they have, and again my knowledge is very thin on
- 20 this, I believe that they have some sort of a grievance
- 21 process that you can take, but I think that's simply a, you
- 22 know, lodging a complaint against the agency.
- 23 THE COURT: Yeah. Well, they also cover discovery in
- 24 disputes. So, that may be a part of what you have to do in
- 25 this case.

It may, Your Honor. And, again, I'm not--I

18

2 don't want to make statements--

MR. SIRKIS:

- 3 THE COURT: Yeah, okay. Well, we're here on the narrow
- 4 question.

- 5 MR. SIRKIS: Yes, Your Honor.
- 6 THE COURT: Of whether I should turn this case over to
- 7 an arbitrator. And, the arbitrator, also the arbitration
- 8 service seems to have a connection, because it's called
- 9 Christian Conciliation Services.
- 10 MR. SIRKIS: Yes, Your Honor.
- 11 THE COURT: Now, who is that?
- MR. SIRKIS: They no longer exist as far as we know.
- 13 But, it is our understanding, and this is based on a brief
- 14 conversation that my client had with the attorney for CWA,
- 15 not the attorney for the insurance company, but the attorney,
- 16 private attorney for CWA itself, Curtis Bostick, that he was
- 17 one of the potential arbiters in this case.
- Now, I do not know--the CCS appears not to exist
- 19 anymore. It appears there is some kind of connection. We
- 20 have no evidence that we can present to the Court. It is
- 21 based on I think a valid concern, and some information that
- 22 there is a connection, but we can't present any evidence to
- 23 the Court, so I don't want to make any claims.
- 24 THE COURT: Well, you at one time were trying to work
- 25 out a way to arbitrate the whole thing; right?

- 1 MR. SIRKIS: We were, Your Honor, until it was made
- 2 clear to us that the other side was willing to try to enforce

- 3 the waiver--the exculpatory clause and indemnify them. So,
- 4 that even if we did arbitrate--
- 5 THE COURT: You're going to lose.
- 6 MR. SIRKIS: We're going to lose, exactly. So, we
- 7 decided that that was not viable, that and other reasons.
- 8 And, again, I think that goes to the interpretation of
- 9 whether or not they agree to arbitrate in the first place.
- 10 That's why I say that since we have to construe the contract
- 11 against this maker, which was CWA, it is a fairly reasonable
- 12 reading of this to say that there was no agreement by the
- 13 Stolls to arbitrate, only an understanding that as it puts in
- 14 the contract, as a further inducement, that--
- 15 THE COURT: Okay. Excuse me. All right, thank you.
- 16 MR. SIRKIS: Thank you, Your Honor.
- 17 THE COURT: Well, Mr. Nathan, back to you. Who's going
- 18 to do the arbitration?
- 19 MR. NATHAN: Well, Mr. Sirkis's indication that CCS is
- 20 not a viable entity is news to me. The last time I heard,
- 21 they were a viable entity and still in existence.
- THE COURT: Well, who are they?
- 23 MR. NATHAN: They are a separate entity from CWA.
- 24 THE COURT: That doesn't answer my question.
- 25 MR. NATHAN: It's a separate entity. That's all I know

1 about them, Your Honor. There's been no allegation in this

- 2 case that they're biased. As a matter of fact, there's a
- 3 presumption they're not biased.
- 4 THE COURT: Why is there a presumption they're not
- 5 biased?
- 6 MR. NATHAN: Well, I think you have to come forward with
- 7 some sort of evidence, otherwise, there's--isn't there a
- 8 presumption of impartiality--
- 9 THE COURT: Well, you're talking about if there were a
- 10 normal arbitration clause where they pick out arbitrators.
- 11 But, it looks like this is a, you know, you arbitrate with
- 12 our--
- MR. NATHAN: Well, just because--it's my understanding
- 14 there's no connection, just because the name Christian is in
- 15 the Conciliation Services doesn't mean it's affiliated with
- 16 CWA.
- 17 THE COURT: I'm not going to grant your motion to compel
- 18 arbitration. This whole thing looks illusory to me.
- 19 MR. NATHAN: Well, do you want any more argument, Your
- 20 Honor?
- 21 THE COURT: No, I don't.
- 22 MR. NATHAN: Okay.
- 23 THE COURT: I think this is just a knuckle under clause.
- 24 So, my technical ruling is that the arbitration provision in
- 25 the contract is not viable. So, we're going to go forward.

1 And, I think you'd better find out who these other agencies

- 2 are.
- 3 MR. NATHAN: I looked at the letter, Your Honor, that we
- 4 wrote to Mr. Sirkis, and we indicated that Children's Cross-
- 5 connections Ethiopia is a separate and independent entity,
- 6 not part of CWA or Christian World Adoption Ethiopia.
- 7 Christian World Adoption Ethiopia, however, is a part of CWA.
- 8 THE COURT: Well, they seem to be the culprit, if these
- 9 allegations are correct, which I'm assuming, for present
- 10 purposes.
- So, what are you going to do? What's the next step
- 12 here?
- MR. NATHAN: Well, I suppose that we, Your Honor, put on
- 14 a--the scheduling order, and Mr. Sirkis and I should get
- 15 together and work on a proposed scheduling order to update
- 16 it.
- 17 THE COURT: So, why don't you do that without my having
- 18 to hold your hand?
- 19 MR. NATHAN: We will.
- 20 THE COURT: You submit an agreed scheduling order, what,
- 21 20 days?
- 22 MR. NATHAN: That's fine.
- 23 THE COURT: Is that all right with you, Mr. Sirkis?
- 24 MR. SIRKIS: Yes, sir.
- THE COURT: Then, we'll see what we've got.

```
1
         MR. NATHAN: Okay.
 2
         THE COURT: All right, thank you. Recess.
         (2:26 p.m. - Whereupon, the proceedings were concluded.)
 3
 4
 5
 6
 7
 8
 9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
```

TRANSCRIBER'S CERTIFICATE I hereby certify that the foregoing has been transcribed by me to the best of my ability and constitutes a true and accurate transcript of the mechanically recorded proceedings in the above matter. Dated at Aurora, Colorado, this  $7^{\text{th}}$  day of July, 2009. s/Mary Chevalier Mary Chevalier Federal Reporting Service, Inc. 17454 East Asbury Place Aurora, Colorado 80013 (303) 751-2777