

Bay Area Skeptics

A Local Chapter of
The Committee for the Scientific Investigation of Claims of the Paranormal



Robert Sheaffer
1341 Poe Lane
San Jose, CA 95130
Nov. 4, 1982

Producer, "Superkids"
KPIX-TV, Channel 5
855 Battery St.
San Francisco, CA 94111

Dear Sir or Madam:

I know that when Halloween comes by there is a great urge to do something that fits the mood, but your segment on so-called "psychic" Sylvia Brown (October 30) was wide of the mark. The segment started with her being surprised by her family with a surprise birthday party. If she were truly psychic, how could this come as a surprise? Think about that for a moment.

Also you seem not to have noticed the great visual humor in your shot of Ms. Brown's "Nirvanah Foundation". By the door it plainly says that Visa and Mastercard are accepted. Does this impress you as a foundation for seeking Nirvanah through esoteric knowledge, or a way to fatten one's own pocket by cashing in on Barnum's famous dictate? I am sure they must have taught you critical thinking in journalism school. Perhaps the next time you do a show dealing with a so-called "psychic", you might remember to try a little critical thinking.

In the future, should you wish to tell both pros and cons of claims of "paranormal powers" (or Bigfoot or UFOs, etc.), the people in our group would be happy to provide information of a reliable kind.

By the way, although newspapers have carried accounts of our \$1000 "Challenge to All Psychics" (enclosed), neither Sylvia Brown nor any other local "psychic" has sought to collect.

well-
known

Sincerely,

Board of Directors:

Robert A. Steiner, Chair
Robert Sheaffer, Vice-Chair

Andrew Fraknoi
Lawrence Jerome

Wallace Sampson
Terence Sandbek

Mailing Address:

P.O. Box 659
El Cerrito, California
94530

Bay Area Skeptics

A Local Chapter of
The Committee for the Scientific Investigation of Claims of the Paranormal

November 19, 1982

CERTIFIED, SENT WITH
RETURN RECEIPT REQUESTED

Ms. Sylvia Brown
Nirvana Foundation
12340 South Saratoga-Sunnyvale Road
Saratoga, CA 95070

Dear Ms. Brown:

Enclosed is "A CHALLENGE TO ALL PSYCHICS."

Since you earn your living as a "psychic," and since there appears to be considerable question about the very existence of the item which you sell, we are sure that you would be anxious to come forward and be tested on this, in order that we might resolve the question one way or the other.

We look forward to your reply.

Sincerely,

Robert A. Steiner

Robert A. Steiner, Chair

Board of Directors:

Robert A. Steiner, Chair
Robert Sheaffer, Vice-Chair

Andrew Fraknoi
Lawrence Jerome

Wallace Sampson
Terence Sandbok

Mailing Address:

P.O. Box 659
El Cerrito, California
94530

(415) 525-2841

AUG. 9 '82

Bay Area Skeptics
Box 659
El Cerrito, CA 94530
(415) 525-2841

A Challenge to All Psychics

We are the Bay Area Skeptics (BAS), a group of people who support the testing of paranormal claims, but are unconvinced by any of the supposed proofs of psychic powers that have been presented thus far. We are committed only to finding out the truth about so-called psychic powers, whatever that truth may be. Nothing would be more exciting than to discover the existence of a genuine psychic power, if such a thing exists. However, experience has sadly shown that the field of psychic research is so filled with self-delusion, evasion, and fraud that we are frankly quite skeptical that any genuine paranormal powers exist at all.

We hereby issue the following challenge to any and all psychics and psychic researchers in the Bay Area: Show us just one psychic power, of any kind, that can be demonstrated to be real under controlled conditions. Claims of psychic powers are abundant- but we want to see somebody who can demonstrate a genuine ability at prediction, clairvoyance, telekinesis, paranormal healing, or any other alleged psychic power.

If you are a psychic, why is it to your advantage to accept this challenge? First, because of the monetary reward being offered, and second, because of the recognition and prestige you will achieve as the first person to successfully demonstrate such powers to a group of knowledgeable skeptics.

1. Robert A. Steiner, Chair of the Bay Area Skeptics, is a professional magician of many years' experience. He is personally offering a reward of \$1,000.00 to any person who can demonstrate any psychic power under controlled conditions, provided that Steiner is unable to duplicate or explain it by normal means. Furthermore, James Randi of New Jersey, a famous stage magician known as "The Amazing Randi," has for years offered \$10,000.00 for proof of any psychic power performed under properly controlled conditions, and the Bay Area Skeptics will promptly report to Randi anyone whose powers seem worthy of testing. (In both cases, the conditions of the test are arranged in advance with the would-be

psychic, and the test will not begin until both parties are satisfied that the arrangement is fair.) Thus, anyone with genuine psychic powers can easily collect \$11,000.00 from these two men.

2. The Bay Area Skeptics is a local chapter of The Committee for the Scientific Investigation of Claims of the Paranormal (CSICOP), a worldwide organization of scientists and researchers who are skeptical of paranormal claims. CSICOP is the largest and best-known group of its kind in the world. Anyone who appears to possess genuine psychic powers will be reported to CSICOP's Executive Council, which will arrange for further testing.

Think of the enormous recognition that would be given to the first person to convince the world's most outspoken skeptics of the reality of psychic powers! Think also of the tremendous benefit to science and humanity if the existence of miraculous powers for healing and for obtaining knowledge could at long last be proven!

There is probably no other place in the United States where the number of alleged psychics, and the degree of belief in psychic powers, is as high as here in the Bay Area. Psychic readers, healers, etc., abound in San Francisco, Berkeley, San Jose, and throughout the Bay Area. Purportedly scientific investigations of psychic powers are frequently carried out at SRI in Menlo Park, as well as at many other organizations in the Bay Area, and many of the area colleges offer credit or extension courses in astrology, astral projection, aura reading, etc. We at BAS are proclaiming that "The Emperor Has No Clothes", and we challenge anyone to prove us wrong.

We are not difficult to reach: our address and telephone number are given above. We all live in the immediate area. If you believe you have genuine psychic powers, the advantages of accepting this challenge are considerable.



The Nirvana Foundation for Psychic Research

12340 So. Saratoga-Sunnyvale Rd., Suite #4

Saratoga, California 95070

Telephone (408) 996-8911

November 24, 1982

Mr. Robert A. Steiner
Bay Area Skeptics
P.O. Box 659
El Cerrito, CA. 94530

Dear Mr. Steiner:

I received your "challenge to all psychics". And I think it goes without saying that the very heading on your letter has to do with being biased - "skeptic" being biased.

I would like to give you some background on myself before I get into or tell you exactly how well the recent Channel 7 news program on psychics was received. Concerning my psychic abilities, I have been tested by Dr. John Renick, who is presently a head of the President's Council in Alabama, and formerly the head of psychiatry at El Camino Hospital in Mountain View, CA. I was also tested by Dr.'s Blattner and Beil, and most recently underwent testing at Agnew State Hospital under their computer program. At this point I have a reciprocity with about 40 doctors and have dealt with county and state probational and police departments, private investigators, as well as V.A. Hospital.

The program in which the magic tricks were performed had nothing to do with the spiritual psychic. In addition, no one in connection with the program bothered to find out that our financial report is published at the public library which has public access. This is something done by very few organizations, and if I might add, including yours. We are under Code 501-C of government sanctioned non-profit organizations, which means we have the sanction to be research, religious, and educational. I, myself, was a parochial school teacher for 17 years. We keep extensive files the same as a doctor does, and our validations far outweigh anything else contained within those files. I have had instant cures on agoraphobics and anorexics who have been direct referrals from doctors, and validated. My work has also been very highly acclaimed in the psychological field. In fact, I am one of the first non-M.D.'s that has been asked to speak to the Western Psychological Association being held in San Francisco in April, 1983. I was also one of the key speakers in the First National Conference of Past Lives Therapy, which was attended exclusively by doctors, both M.D.'s and Ph.D.'s.

NOT IN
SARATOGA
LIBRARY

Subsequent to the Channel 7 program, the calls we received at the Foundation were extremely irate primarily over what relevance magic tricks had with what a true psychic is. A true psychic only runs on their validations, on how right they are. I do not deal in vague, "you are going from darkness into light" terminology. I also charge \$300.00 for the simple fact that I employ 17 people. Along with this, I am salaried under the Foundation. If I were to have personally made in only two years time what monies I have brought in, I would now be a very wealthy woman, living up in Los Altos Hills, instead of having a house on Johnson Avenue with a mortgage on it.

The thing I resent most is your smug challenge to all psychics; which I am not even going to pursue - not out of fear, but the biasness of it is not even worth taking the time to challenge. Rather, I think possibly you should be investigated as to the legality of your whole group as far as your so-called local chapter of whatever. Are you non-profit? Do you gain money from this? Are you just out for thrill-seeking?

On Channel 7, my whole speech and rebuttal to the interviewer was not unlike many of the skeptical remarks. I said how much I hated the "fairs", the cheap, shabbiness of it, and the importance of whether or not you get cures; because my whole thrust has really always been in the therapy aspect of taking care of the anorexics, the agoraphobics and really having cures. I also work very closely with Dr. William Yabroff, who is head of the Psychology Department at Santa Clara University. Needless to say, out of our hundreds of members and others with whom I am affiliated, your whole program and skepticism was not taken lightly.

I would like to extend to you, Robert, a reading one on one, with no magic tricks, no voodoo dolls, and no crystal balls. In a reading, I go through health, people you are involved with, specific people's names, dates, and times, career matters, etc. I have even gotten to the point, in fact, of being so specific that a very well-known psychic in England by the name of Douglas Johnson stated to me that I have spoiled my clientele because I am too specific.

So, whatever it is you want to debunk, consider this: We are also a religious organization and a member in good standing of the Better Business Bureau. If there is any sanction or credit, such as being a teacher for 17 years, being a moderator and counselor, or any other credential or licensing for hypnotherapy or psychic available, I would go out and get it. So, you are not dealing with a back-woods, renaissance, "tent fair" psychic.

No, I do not accept your challenge. And as far as this "Amazing Randi" is concerned, to test a psychical medium, such as Uri Geller, is entirely different. I am not a physical medium nor into card tricks or bending spoons. I simply sit across my desk from the client and tell them things. As an example, I will give you one specific case. A woman came in to see me, and I told her that her brother would eventually, before the year was out, claim himself to be a transvestite. She was horrified at this, but it came true. There was no inkling of this anywhere. And this is only one specific, one tiny specific case out of thousands. On health, when a doctor refers to me, I must give them specific organs, times at which an accident occurred, anything and everything that I can tell them. I must be specific.

Mr. Robert A. Steiner

-3-

November 24, 1982

7
Even though I was lumped with the charlatans, I do not intend to be challenged with or by charlatans. Thanking you very sincerely for your interest, but if I am going to be tested, I will deal with professional people, such as doctors and people in related fields - not by magicians and slight-of-hand artists. In other words, I feel it's only right that I should be tested by my peers.

Sincerely,


Sylvia C. Brown

SCB/lr

P.S. Under the legal law, there are also specific laws that protect government, non-profit organizations, where people do get a tax write-off, from harassment and most of all, defamation of character.

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*Robert Sheaffer
1341 Poe Lane
San Jose, Ca. 95130*

Dec. 4, 1982

Reference Librarian
Saratoga Public Library
13650 Saratoga Ave.
Saratoga, CA 95070

Dear Sir or Madam:

I have been told that the financial report of the "Nirvana Foundation for Psychic Research" (Sylvia C. Brown, director), 12340 Saratoga-Sunnyvale Rd., Suite #4, Saratoga, CA 95070, is available for inspection in the public library.

Do you have this report, or anything about that organization, in your library?

I enclose a self-addressed, stamped envelope for your reply.

Sincerely,



Bay Area Skeptics

A Local Chapter of
The Committee for the Scientific Investigation of Claims of the Paranormal

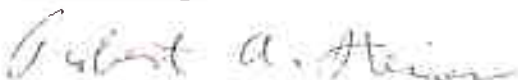
December 3, 1982

Ms. Sylvia C. Brown
The Nirvana Foundation for Psychic Research
12340 So. Saratoga-Sunnyvale Road, Suite #4
Saratoga, California 95070

Dear Ms. Brown:

We regret that you have refused the opportunity to be tested by us for psychic ability.

Sincerely,



Robert A. Steiner, Chair

P. S. If you care to furnish us with details regarding previous testing on your claimed psychic abilities, including names, controls, replicability, etc., we are interested.

Our investigative staff of professionals includes a physician, a psychologist, a psychiatrist, an attorney, teachers, as well as others. Your explanation of your refusal to be tested is invalid.

We are non-profit -- taxable status is pending. No individual associated with Bay Area Skeptics receives any financial gain from the organization. Your statement is in error that our financial information is not available. It was published in our October 1982 newsletter. Enclosed with my compliments is a copy of that newsletter.

Board of Directors:

Robert A. Steiner, Chair
Robert Sheaffer, Vice-Chair

Andrew Fraknoi
Lawrence Jerome

Wallace Sampson
Terence Sandbek

Mailing Address:

P.O. Box 659
El Cerrito, California
94530

ROBERT A. STEINER

Box 659

El Cerrito, CA 94530


(415) 525-2841



12/11/82

ROBERT — I HOPE YOU
APPRECIATE THE CHARACTER
AND RESTRAINT I HAVE
EXHIBITED IN FORWARDING
THE ENCLOSED LETTER FROM
THE NIRVANA FOUNDATION TO
YOU IN UNOPENED CONDITION.

PLEASE LET ME KNOW ABOUT
IT (UNLESS, OF COURSE, IT'S
EXTREMELY PERSONAL TO YOU)

BEST REGARDS, 



The Nirvana Foundation for Psychic Research

12340 So, Saratoga-Sunnyvale Rd., Suite #4

Saratoga, California 95070

Telephone (408) 996-8911

December 7, 1982

Mr. Robert Sheaffer
Bay Area Skeptics
P.O. Box 659
El Cerrito, CA 94530

Dear Mr. Sheaffer,

I am in receipt of your letter of December 4, 1982. If you would like to check our records further, or would like a copy, please check with the Library of Congress at the San Francisco library. We have our status granted under Internal Revenue Code, section 501(c)(3) by Governor Brown in 1974. We also belong to the Chamber of Commerce, the Better Business Bureau, and H.E.C. (Hypnotists Examining Council). I am also on the teaching staff at DeAnza College in Cupertino.

I don't have to prove, nor correspond anymore. If you want to accuse or prod anymore, do it on your own. Any further reciprocation will be termed harassment, and our Board of Directors will take it from there.

Sincerely,


SYLVIA C. BROWN

SCB/lab

Bay Area Skeptics

A Local Chapter of
The Committee for the Scientific Investigation of Claims of the Paranormal

July 21, 1983


Sylvia C. Brown
The Nirvana Foundation for Psychic Research
12340 So. Saratoga-Sunnyvale Road, Suite #4
Saratoga, California 95070

Dear Sylvia:

In light of your specifically stated desire not to have any more correspondence with me, it would seem to be inappropriate for me to write to you each time your name appears in our newsletter, inquiring whether you would like a copy, thereby requiring a reply from you if you were interested, thereby in turn requiring another mailing from me in order to furnish you with the copy.

To simplify matters, and to obviate the necessity of voluminous correspondence between us on perfunctory matters, if you are interested in the information, and assuming that you are unable to pick up the information psychically, please feel free to subscribe to BASIS. The subscription price is \$7.50 per year, payable to Bay Area Skeptics.

Sincerely,


Robert A. Steiner, Chair
Bay Area Skeptics
415-525-2841

Board of Directors

Robert A. Steiner, Chair
Robert Sheaffer, Vice-Chair

Andrew Fraknoi
Lawrence Jerome

Wallace Sampson
Terence Sandbek

Mailing Address:

P.O. Box 659
El Cerrito, California
94530



The Nirvana Foundation for Psychic Research

12340 So. Saratoga-Sunnyvale Rd., Suite #4

Saratoga, California 95070

Telephone (408) 996-8911

August 16, 1983

Mr. Robert A. Steiner
Chairman
Bay Area Skeptics
P.O. Box 659
El Cerrito, CA. 94530

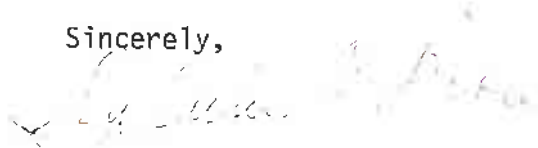
Bob:

I was adamant when I said we would not correspond, but since that time, some very interesting things have come to light.

I would like for you to send me the article in "Basics" in which you stated that I had not been tested at Agnew Hospital. Whatever charge there may be, please send it, and the Foundation will pay you.

I have heard from two different sources that you have been rallying around the lie that I was not tested. I guess I don't have to go into detail about what it means to print the truth and what it means to print a lie.

Sincerely,


Sylvia C. Brown

SCB/lr

Bay Area Skeptics

A Local Chapter of
The Committee for the Scientific Investigation of Claims of the Paranormal

August 20, 1983

Sylvia C. Brown
The Nirvana Foundation for Psychic Research
12340 South Saratoga-Sunnyvale Road, Suite #4
Saratoga, CA 95070

Sylvia:

I am growing weary of your threats, demands, unfounded assertions, reports of what you heard from unnamed sources, harassment, condescending attitude, statements of your emotional condition, false statements, innuendos, attempts at intimidation, vague references to non-specific information, badgering, self-righteous posture, preaching, posturing as an authority on the law, pseudo-legal opinions, and your libelous statements. For someone who claims to want no more correspondence with me, and who claims not to have the time to waste on me or Bay Area Skeptics, you certainly are generating a great deal of correspondence.

As explained to you previously, the payment of the trivial sum of \$7.50 would bring you a subscription to BASIS for an entire year. Your recent bellicose letter does not entitle you to a courtesy copy.

Very truly yours,

Robert A. Steiner, Chair
Bay Area Skeptics
415/525-2841

Board of Directors:

Robert A. Steiner, Chair
Robert Sheaffer, Vice-Chair

Andrew Fraknoi
Lawrence Jerome

Wallace Sampson
Terence Sandbek

Mailing Address:

P.O. Box 659
El Cerrito, California
94530



SYLVIA BROWN

Survival Techniques

SYLVIA BROWN world renowned psychic and medium will present through lecture and demonstrations her techniques of how to survive life! She will give you meditative techniques, healing techniques, how to program for success, and how to recognize life's patterns and past-life carry-overs.

You will be given for the first time the techniques and methods Sylvia utilizes in her own appointments and that have made her one of the foremost authorities on "betterment of self".

FOR TICKETS AND INFORMATION PLEASE CONTACT:

THE NIRVANA FOUNDATION
12380 S. SARATOGA-SUNNYVALE ROAD, #4
SARATOGA, CA. 95070

(408) 996-8911

Flint Center
JUNE 1, 1985

PER
PERSON

\$ 10.⁰⁰
7 p.m.

TONIGHT ONLY

NIRVANA LIFETIME

MEMBERSHIP

50⁰⁰
~~\$100.00~~

This is a special one-time offer only to those at this function. Nirvana subsists on services and most importantly its memberships, as we are not funded by any outside organization. We sincerely feel your joining us gives you benefits we want to share with you. REMEMBER! This is a lifetime membership.

Due to this special discount, it can only be offered ONE-TIME ONLY to those in this area.

REGULAR FEE

Individual - \$400.00

Family - \$750.00

SPECIAL FEE

Individual - \$100.00

Family - \$275.00

MEMBERSHIP BENEFITS

- 1) 10% discount on all services
- 2) 50% discount on class fees
- 3) 50% discount on Open Trance sessions
- 4) Free admission to lectures, etc.
- 5) 50% discount on publications
- 6) Free newsletter for life

FROM SYLVIA BROWN'S
LECTURE AT FLINT CENTER,
DE ANZA COLLEGE,
JUNE 1, 1985



THE NIRVANA FOUNDATION FOR PSYCHIC RESEARCH
12340 S. Saratoga-Sunnyvale Rd. - Suite 4
Saratoga, CA. 95070
(408) 996-8911

Application for Membership

MEMBERSHIP BENEFITS:

- 1) 10% discount on all services
- 2) 50% discount on class fees
- 3) 50% discount on Open Trance sessions
- 4) Free admission to lectures, etc.
- 5) 50% discount on publications
- 6) Free newsletter for life

Name _____ Tel: (____) _____

Address _____

City _____ State _____ Zip _____ Age _____

I would like to apply for a membership in support of the Nirvana Foundation for Psychic Research. Please accept this application for the following type of membership:

- ☐ Individual Lifetime Membership - \$400.00
- ☐ Family Lifetime Membership - \$750.00
- ☐ Corporate Lifetime Membership - (call for details)

Names for Family Lifetime Membership are:
(spouse and children under age 18)

| Name | Relationship | Age |
|-------|--------------|-------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

I understand that any fees and/or donations are not refundable and that all information supplied on this application is strictly confidential and will not be used for any other purpose without my prior approval.

Signature of Applicant

Date

Parent or Guardian (if under age 18)

OVER PLEASE

ATTENTION!

ACHTUNG!

ATTENCION!

Because of a mis-communication the general public has been incorrectly informed that it takes a year to obtain an appointment with Sylvia! Because Sylvia was concerned about the backlog of appointments she has been taking twelve (12) a day for months to catch up. READINGS ARE AVAILABLE within a month notice now!

We are sorry for this misinformation. It is a year to a year and a half however to obtain studio audience tickets for Channel 5's "People Are Talking" program when Sylvia is on the show.

Please call us for an appointment
at 408 996-8911

THE NIRVANA FOUNDATION is a non-profit organization

LIMITED TIME OFFER

1/2 Off Hypnosis Services

Past Life Regression

Hypnosis Programming



BOTH HALF PRICE

TV personality Sylvia Brown accused of \$200,000 fraud

By Ray Alvareztorres and Jack Fischer
Mercury News Staff Writers

Spiritualist and TV personality Sylvia Brown has been accused of fraud for obtaining more than \$200,000 in bank loans she says were prepared for her by a Los Gatos real estate broker now under federal investigation for his financial dealings.

The loans are among \$1.3 million borrowed from 11 lenders that Brown says the broker, Stanley D. Hexom, obtained for her between 1984 and last April, when she and her husband declared personal bankruptcy. Two of the lenders have now accused Brown of fraud in papers filed by banks in U.S. Bankruptcy Court in San Jose.

Brown, 52, has long been a fixture on Bay Area morning talk shows and the college lecture circuit, where she counsels followers with an exotic mixture of pop psychology and metaphysics. She often admonishes her followers to seek financial betterment.

The self-described psychic, who earns \$300 for a half-hour reading, said she was unaware Hexom used fraudulent information to obtain the loans. She said she left her finances in his hands and does not know what became of much of the money he borrowed for her.

"That's something that hurt me really bad, that I trusted him," Brown said of her dealings with Hexom. "I'm not psychic about myself — that's the tragedy."

But court documents and interviews with associates of Brown and Hexom suggest a close relationship between the two that dates at least to 1980.

✓ Brown served as Hexom's spiritual adviser and sometimes business partner.

✓ The two discussed opening a credit union together for followers of Brown's Church of Novus Spiritus.

✓ Hexom arranged a \$500,000 mortgage for Brown's Saratoga home. In a 1985 complaint to the state Department of Real Estate, a former bookkeeper of Hexom's alleged this mortgage was obtained under false pretenses.

✓ Brown referred to Hexom a San Lorenzo widow who later filed suit against the broker, claiming he bilked her of \$53,000.

Hexom is the target of criminal investigations by the FBI, a federal attorney, the Internal Revenue Service and the state attorney general for his role in millions of dollars of allegedly fraudulent business loans and real estate deals since 1981.

He could not be reached for comment.

In one filing with the bankruptcy court, Hexom said he had no knowledge of the fraud.

In all three cases, the Browns listed themselves as owners of half a dozen residential properties from Sacramento to Capitola to help qualify for the loans. But public records show three of the properties do not exist and two others were owned by Hexom. One belonged to the Browns.

Sylvia Brown and her husband, Kensil D. Brown, denied knowing the properties were included in the loan applications. Sylvia Brown acknowledged signing only the Commerce Savings Bank application. She said Hexom told her he had a friend inside the Sacramento bank who would ease approval of the loan. Brown suggested the other loan applications were forged.

"He (Hexom) said, 'I'm going to make you solvent, so you don't have to work so hard,'" she said.

The Browns said Hexom told them he would invest the money in real estate. They said they struggled to make loan payments, and Hexom explained it would be several years before they received any profits on the investments.

"I didn't even know what a credit line was," Sylvia Brown said of the bank loans. "He said, 'Everybody does it. It's called creative financing.'"

"It was just words to us," added Kensil Brown, who said he normally handles the Browns' finances.

"Have you ever signed a loan application? You don't read everything. No one does."

The Browns allegedly turned to Hexom to obtain more than just personal loans.

In a 1985 complaint to the state Department of Real Estate, a former bookkeeper to Hexom says the broker prepared bogus paperwork

to qualify the Browns for a \$500,000 mortgage on their Saratoga home. In bankruptcy papers the couple list a \$500,000 debt to GN Mortgage Co. of Canoga Park. The company declined to comment.

In her complaint, the bookkeeper, Mary Silcock, also says at least one additional bank — Bank of America — received a fraudulent loan application prepared by Hexom for the Browns. Bank of America, which is listed in bankruptcy papers as being owed \$50,293 for a personal loan to the couple, declined to comment.

The other seven lenders listed in the Browns' bankruptcy also declined comment.

In the bankruptcy papers, the Browns said they had no knowledge of the fraud.

By 1986, Hexom and Brown had defaulted on the IOU. And Brown, who said Hexom handled the entire deal, said she never recovered the \$125,000 she borrowed.

But before the deal soured, the two would meet regularly — once a week at times — to discuss spiritual and financial matters, according to Silcock and two former associates of Brown's.

"They'd grab a bottle or two of wine from the refrigerator and go into Sylvia's office and drink and laugh," says Michelle Gill, a former minister-in-training at Brown's church.

Brown initially denied she and Hexom were close, although her son, Paul Dufresne, worked for Hexom for a year. But in a later interview, Brown said of Hexom: "At the beginning, we were very close friends. He was like a son or a brother to me."

The spiritualist and the broker also discussed starting their own credit union for her followers, said Silcock, who has been subpoenaed to testify before a federal grand jury investigating her former employer's financial dealings.

A source close to Brown at the time, who asked not to be identified, said the woman told her Hexom was to be involved in starting the credit union because "he was the financial wizard."

Brown acknowledged planning a credit union, but said Hexom was never involved. At the Bascom Avenue building that houses her church, a sign directs visitors to the church's credit union. But Brown said it has never opened.

If the Browns were innocent victims, their faith in the real estate broker led at least one of the spiritualist's own followers to Hexom's door.

In 1984, Lilly Mar, a San Lorenzo woman whose husband had recently died, sought spiritual counsel from Brown, says Mar's attorney, Michael Blumenfeld.

Later, Mar said, she received a telephone call inviting her to a financial planning seminar at the woman's offices.

Hexom conducted the seminar and ultimately persuaded the widow to invest \$53,000 with him, according to Mar's lawsuit, one of more than 20 filed against Hexom in Santa Clara County since 1981. Mar's suit claims he never repaid the money.

Brown maintains she had no knowledge of the fraud.

Brown, 52, has long been a fixture on Bay Area morning talk shows and the college lecture circuit, where she counsels followers with an exotic mixture of pop psychology and metaphysics. She often admonishes her followers to seek financial betterment.

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✓ Hexom arranged a \$500,000 mortgage for Brown's Saratoga home. In a 1985 complaint to the state Department of Real Estate, a former bookkeeper of Hexom's alleged this mortgage was obtained under false pretenses.

✓ Brown referred to Hexom a San Lorenzo widow who later filed suit against the broker, claiming he bilked her of \$53,000.

Hexom is the target of criminal investigations by the FBI, a federal attorney, the Internal Revenue Service and the state attorney general for his role in millions of dollars of allegedly fraudulent business loans and real estate deals since 1981.

He could not be reached for comment.

In one filing with the bankruptcy court, Commerce Savings Bank in Sacramento says it lent Brown \$150,000 in May 1985 based on false financial information included in her application. A month later, she and her husband lied to obtain a \$25,000 loan at California First Bank in Santa Ana, that bank says in court papers.

A third lender, Bank of the West, plans to file papers with the bankruptcy court to allege fraud in connection with \$25,111 Brown owes it. Ed Merrill, a bank vice president, said.

who would ease approval of the loan. Brown suggested the other loan applications were forged.

"He (Hexom) said, 'I'm going to make you solvent, so you don't have to work so hard,'" she said.

The Browns said Hexom told them he would invest the money in real estate. They said they struggled to make loan payments, and Hexom explained it would be several years before they received any profits on the investments.

"I didn't even know what a credit line was," Sylvia Brown said of the bank loans. "He said, 'Everybody does it. It's called creative financing.'"

"It was just words to us," added Kensil Brown, who said he normally handles the Browns' finances. "Have you ever signed a loan application? You don't read everything. No one does."

The Browns allegedly turned to Hexom to obtain more than just personal loans.

In a 1985 complaint to the state Department of Real Estate, a former bookkeeper to Hexom says the broker prepared bogus paperwork

to qualify the Browns for a \$500,000 mortgage on their Saratoga home. In bankruptcy papers the couple list a \$500,000 debt to GN Mortgage Co. of Canoga Park. The company declined to comment.

In her complaint, the bookkeeper, Mary Silcock, also says at least one additional bank — Bank of America — received a fraudulent loan application prepared by Hexom for the Browns. Bank of America, which is listed in bankruptcy papers as being owed \$50,293 for a personal loan to the couple, declined to comment.

The other seven lenders listed in the Browns' bankruptcy also declined comment.

In the bankruptcy papers, the couple listed their total debt at \$1.8 million.

Hexom, 41, went to Brown seeking the self-styled psychic's counsel in 1979 or 1980, she said.

By the spiritualist's account, her involvement with the broker deepened in 1983, when Hexom, at her urging, interceded in a real estate investment on behalf of her brother-in-law, Richard Bortolussi. Bortolussi gave Hexom title to a Los Gatos office building in which Bortolussi had invested. In return, Hexom and Brown co-signed an IOU promising Bortolussi money. And Hexom borrowed \$125,000 from Brown — money obtained from her first bank loan — to renovate the building.

Brown initially denied she and Hexom were close, although her son, Paul Dufresne, worked for Hexom for a year. But in a later interview, Brown said of Hexom: "At the beginning, we were very close friends. He was like a son or a brother to me."

The spiritualist and the broker also discussed starting their own credit union for her followers, said Silcock, who has been subpoenaed to testify before a federal grand jury investigating her former employer's financial dealings.

A source close to Brown at the time, who asked not to be identified, said the woman told her Hexom was to be involved in starting the credit union because "he was the financial wizard."

Brown acknowledged planning a credit union, but said Hexom was never involved. At the Bascom Avenue building that houses her church, a sign directs visitors to the church's credit union. But Brown said it has never opened.

If the Browns were innocent victims, their faith in the real estate broker led at least one of the spiritualist's own followers to Hexom's door.

In 1984, Lilly Mar, a San Lorenzo woman whose husband had recently died, sought spiritual counsel from Brown, says Mar's attorney, Michael Blumenfeld.

Later, Mar said, she received a telephone call inviting her to a financial planning seminar at the woman's offices.

Hexom conducted the seminar and ultimately persuaded the widow to invest \$53,000 with him, according to Mar's lawsuit, one of more than 20 filed against Hexom in Santa Clara County since 1981. Mar's suit claims he never repaid the money.

Brown maintains she had nothing to do with the seminar and that Hexom had borrowed her offices for the evening.



San Jose Mercury
News Oct. 28, 1988

AS THE years have gotten on here, I have spoken to several dead people — told them that I missed them, asked them for their biscuit recipe, words to that effect — but, to my knowledge, not one of them has ever responded. I would have been startled, of course, if one had.

One-way communication is not a problem with psychics, however. People like Sylvia Brown say they can see into the future, or into the past, or around the corner without a mirror.

She and her husband, Dal Brown, founded the Nirvana Foundation for Psychic Research in 1974. The foundation is described as "a center for growth, service, learning and research in parapsychology," which is the branch of psychology that investigates telepathy, extrasensory perception, clairvoyance and other stuff that you and I don't have.

An offshoot of Dal and Sylvia Brown's Nirvana Foundation is the Church of Novus Spiritus. And that brings us to today's topic: A woman named Linda Star has been writing and calling the newspaper to say that she paid Dal and Sylvia Brown \$4,000 for a six-month course that would result in her being ordained as a minister of Novus Spiritus.

I'm not sure what a minister in this church does, but Linda Star was looking forward to doing it. At the end of six months, however, she said she was nudged from Nirvana, told that she wasn't qualified, and was "publicly humiliated by Sylvia Brown. I feel cheated, you're darn right!

SHE (Brown) definitely offered us the possibility of being ordained ministers at the end of six months," said Star, "and we were promised employment by her. It was a taped session. And I have those words on tape. I still have the receipts, too. I used my disability money from a back injury to pay for this."

Star said "a lot of those people who paid were like myself — they had suffered some sort of trauma and that's what she was feeding off of. We were supposed to be certified hypnotherapists. We were supposed to take the state test. We were supposed to receive psychic development. We never got certification of anything. Instead, after six months, we got new receipts for our \$4,000, saying 'donation.'"

Linda Star assured me that this information had been turned over to the Santa Clara County District Attorney's Office. I spoke with the George Payne of that office and he said, "Sure, let me connect you with the attorney handling that," and he forwarded my call to Gene Baldwin.

Baldwin reminded me that it was office policy never to acknowledge an investigation. He didn't. We discussed the fact that Sylvia Brown was a well-known psychic and a television personality. We talked about how politicians sling unfounded charges. Then he suggested I call the church.

There's no way to be sure, of course, but I think it was D.A. lingo for: "Yeah, we've heard the complaint, but we don't think much of it."

Sylvia Brown didn't mind discussing Linda Star with me. "My credentials are impeccable," Brown said. "She (Star) stormed out of here on her own free will. She threw a big fit in front of 30 ministers, and then she petitioned to get back in. If I let her back in, I'd have to buy those 30 ministers."

BROWN SAID the course for ordainment was two years, not six months, and that Linda Star was a dropout.

Said Star, "I said, 'Look I paid you \$4,000. I should be part of this. As I was leaving, Sylvia Brown, in front of all these people, leaned over the balcony and shouted at me that I was snorting cocaine. No, sir. It's not true. I turned around and looked up at her and said, 'Sylvia Brown, you're going to get yours one of these days. The truth will come out.' Then I got a letter from her claiming I threatened her. I want my ordainment or my money back."

"She did threaten me," said Brown. "She said I would be sleeping with the fishes. I thought at one time of suing her, but what good would it do?"

Before I got off the phone with Sylvia Brown, she told me that she had had a thought about me, that I would be receiving a promotion any day now.

I don't know how this dispute between Linda Star and the Church of Novus Spiritus is going to be resolved, if at all. But I suggest she deserves something for her \$4,000. In the meantime, I sure hope that suggestion doesn't get in the way of my promotion.

S.J. Mercury 11-30-87

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S.J. Mercury 11-20-87

Extrasensory deceptions?



Jim Trotter



Saratoga BUSINESS

Sylvia Brown

Addressing controversy

By Kimberly Kordick

Former Saratoga resident and renown psychic Sylvia Brown will address local audiences June 26 at a benefit lecture so well received it has become Saratoga Chamber of Commerce's most profitable fund raiser.

But chamber president Sheila Arthur received criticism from a few members of the business community for inviting Brown to return this year because of accusations and lawsuits stemming from financial mis-management.

In April 1988, Brown declared bankruptcy and in October, she was accused by bank officials of fraudulently obtaining loans.

During her first interview on the subject, the long-time area resident spoke candidly about her financial affairs and what led to the controversy.

The allegations filed in U.S. Bankruptcy Court by bank officials alleged that Brown obtained more than a quarter million dollars in loans allegedly based on false financial information. All three lawsuits sought to have Brown take over the debt.

The business transactions referred to in the lawsuits, Brown said, were arranged by a long-time family friend and real estate broker without her knowledge.

"It was a case of trusting somebody with my financial affairs. By the time that I found out what he was doing, as far as taking credit lines out in my name, I was bankrupt," Brown said. "This person was a family friend. The tragedy is that it was my fault in the aspect that I didn't pay enough attention to my own business affairs."

"But I think that it's terrible,"

Brown continued, "to penalize somebody because they were in a financial sting, or to criticize them because they went bankrupt because of somebody else's advice. Can a doctor never get sick? Does a banker never make a bad investment? Do you want to know how many bad investments banks make? What about savings and loans?"

Brown, who claims no aptitude for business, says she was only one of 30 victims involved in separate business transactions handled by the same broker, but she believes, it became news because of her public-figure status.

"I think that people should be aware that psychics are human and we do bleed," she said.

People have said to her, if she's psychic, she should have known. But during television and personal appearances, Brown has maintained that she cannot foresee factors that



PHOTO BY JACQUELINE

instruction in the field of parapsychology has been, and is currently, solvent.

The public accusations did not affect her business relationship with her clients, nor the finances of the foundation.

"I'll tell you what it did do — The people that didn't like me wouldn't like me anyway and the people that loved me, loved me more."

Brown has appeared on many area television and radio shows and on national programs. Brown's public speaking engagements include the San Jose Convention & Visitors Bureau, where she addressed the subject of positive thinking motivation. Her speaking engagements have also raised money for the Stanford Children's Hospital, the Jerry Lewis Telethon and San Francisco's Palace of Fine Arts, where she has spoken about "Options in Life," what positive actions can be taken to affect change.

At this year's chamber fund-raiser, Brown will speak on how an individual can develop their own psychic abilities.

Brown to speak

The Saratoga Chamber of Commerce will host Sylvia Brown on June 26 at the Paul Masson Mountain Winery. Brown's lecture is entitled "The Psychic and You." Complimentary wine will be served at 7 p.m. Brown's one-hour lecture is scheduled to begin at 7:30. Brown will address personal questions after the lecture. Tickets priced at \$15 will not be sold at the door, but are available by calling the Saratoga Chamber of Commerce, 867-0753.

will influence her own life. "If that were true then we (psychics) could win the lottery and we wouldn't be doing this," Brown continued.

While the business transactions have left her with little personal wealth, Brown reports her Nirvana Foundation for Psychic Research, a non-profit research foundation located in Campbell, which offers

Psychic charged in alleged scam

BY BILL ROMANO
Mercury News Staff Writer

If there really was gold in them thar hills, as popular Bay Area psychic Sylvia Brown said, then Gregory and Robin Cross never got the share they were promised.



The Santa Cruz couple lost their life savings when they invested in a Butte County mining venture that the 55-year-old spiritualist and her husband, Kensil "Dal" Brown, 48, promoted four years ago, according to court re-

cords. The Browns are charged with grand theft and investment fraud in connection with the alleged scam in 1985. If convicted, they face up to 10 years in prison and fines totaling \$250,000.

"We thought this was cleared up a little over three years ago. . . . I'm innocent."

— Sylvia Brown, after her arrest

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The Browns are charged with grand theft and investment fraud in connection with the alleged scam in 1985. If convicted, they face up to 10 years in prison and fines totaling \$250,000.

"We thought this was cleared up a little over three years ago. . . . I really don't know anything of this. . . . I'm innocent of it," Sylvia Brown said following her arrest last week. She and her hus-

band have been released from custody on bail.

Prosecutors allege that solicitors for Sylvia Brown, an occasional guest on television shows and the leader of the so-called Church of Novus Spiritus, persuaded the Crosses and at least one other person — bank employee Mark Helling — to invest \$20,000 each in a mining operation called The Sylvia. Each signed an investment contract

specifying repayment of five times the original investment. Based on Sylvia Brown's psychic "feeling" about the gold content in the ground, investors were told that the venture seemed a "sure thing" and could yield revenue ranging from \$4,000 to \$25,000 a day.

The investors dealt largely with a minister in the Browns' church, who investigators say was not aware of the venture's dubious aspects. He has not been charged in the case.

Deputy District Attorney Rebecca Hayworth said the Browns — doing business as DalSil Enterprises — led people to believe their money would be used to pay

for equipment and mine operating expenses, but that the venture never yielded any gold.

Hardly had the investors' cash been placed in the bank, Hayworth said, when the money was transferred from the account of DalSil Enterprises to the Nirvana Foundation for Psychic Research, a non-profit corporation formed by the Browns in 1974.

The money, court documents indicate, was used partly to pay Nirvana's operating expenses, which included salaries for the Browns and other family members employed by the church.

What the investors didn't know, according to Hayworth, See SYLVIA, Back Page

Psychic accused of scam

■ SYLVIA

from Page 1B

was that the Browns were in a financial spiral that bottomed out one month later when they filed for personal bankruptcy protection, declaring an estimated \$1.5 million in debts.

"Basically, we have two small investors who thought their money was going to bring a \$100,000 return but instead wound up dropping into the 'black hole' of the Browns' indebtedness," Hayworth said.

The contract between the Browns and mine investors called for periodic updates about the venture's progress, but the Cross-

es said they never got one. After months passed with no information, the Crosses contacted the state Department of Corporations, which began investigating.

According to court records, the Crosses told investigators they were shown a video of Sylvia Brown when they first were approached about the project, and later were driven to Butte County in her leased Jaguar to inspect the mine.

The solicitor assured them their investment was safe and said if the mine failed to prosper, Brown would even return their money, the records say.

"Sylvia is just that kind of person," the couple were told.

APRIL 17, 1990 P. 8B

San Jose Mercury News



Stanley Hexom

... May get 13-year sentence

Ex-broker pleads guilty to bank fraud

By Ann W. O'Neill
Mercury News Staff Writer

A former Los Gatos real estate broker pleaded guilty Monday to two federal bank fraud charges under a plea bargain that involves his cooperation in "spinoff" investigations.

Stanley Hexom, 41, also pleaded guilty before U.S. District Court Judge Robert F. Peckham to a single count of helping prepare a false 1984 tax return for spiritualist and television personality Sylvia Brown and her husband.

Details of the plea agreement were contained in a five-page sealed document submitted to Peckham. The nature of the other investigations, as well as the ex-

tent of Hexom's cooperation, could not be immediately determined.

Attorneys told Peckham the initial agreement had been worked out about a year ago. Assistant U.S. Attorney Lee Altschuler declined comment on Hexom's role in any ongoing investigations. He did not say whether other criminal charges might follow.

"We are not privy to the potential timing of the results of the other pending investigations," said Hexom's attorney, Frank M. Mangano.

The three counts to which Hexom pleaded guilty carry maximum penalties of 13 years in jail and \$650,000 in fines. Sentencing was scheduled for June 7.

Dozens of homeowners, financial institutions, real estate title companies and investors have accused Hexom of bilking millions from them during the 1980s through a string of phony financial deals. More than 20 lawsuits had been filed against him in Santa Clara County Superior Court.

Standing before Peckham on Monday, Hexom admitted obtaining approval for two loans by sub-

mitting false information about his worth and income. He estimated he received \$150,000 from the now defunct Bank of Northern California and \$200,000 from Eureka Federal Savings. He said he has not repaid either loan.

And Hexom admitted helping Brown and her husband prepare a false tax return to obtain other loans.