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STATE OF ARIZONA

OFFICE OF ADMINISTRATIVE HEARINGS

In the matter of: **JOHN HANCOCK ACADEMY, INC.** (an Arizona non-profit corporation), Applicant	No. 13F-AP-001-BCS **NOTICE OF FILING OF TRANSCRIPT OF HEARING OF MAY 7, 2013** (Honorable Judge Sondra J. Vanella)

NOTICE is hereby given of the filing of the transcript of the testimony of the hearing held May 7, 2013 in this matter. *See* attached. A copy of the transcript was emailed on May 24, 2013 to Reed Gaddie, Authorized Representative for John Hancock Academy, Inc.

SIGNED this 4th day of June, 2013.

THOMAS C. HORNE
Attorney General

Kim S. Anderson

Kim S. Anderson
Assistant Attorney General
Attorney for the Arizona State Board for Charter Schools

COPY of the Notice filed electronically
this 4th day of June, 2013 with:

Office of Administrative Hearings
1400 West Washington Street
Phoenix, Arizona 85007

COPY of the foregoing Notice emailed
this 4th day of June, 2013 to:

Reed Gaddie, Authorized Representative for John Hancock Academy, Inc.
Email: rgad@cox.net

COPY of the foregoing Notice emailed
this 4th day of June, 2013 to:

DeAnna Rowe
Executive Director
Arizona State Board for Charter Schools
Email: Deanna.Rowe@asbcs.az.gov

By _____
P0012013000819/3421118

STATE OF ARIZONA
OFFICE OF ADMINISTRATIVE HEARINGS

In the matter of:) No. 13F-AP-001-BCS
)
)
JOHN HANCOCK ACADEMY, INC., (an)
Arizona non-profit corporation),)
)
Applicant.)
)

HEARING

Phoenix, Arizona
May 7, 2013
8:00 o'clock a.m.

Prepared by:
DEBORAH J. BOYETTE, RPR
Certified Reporter
No. 50507

Dropkin and Associates
Certified Court Reporters
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ORIGINAL

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EXHIBITS MARKED

FOR THE BOARD:

Exhibits	Description	Admitted
(Board's Exhibits A through FF were stipulated to and admitted into evidence before the start of the hearing.)		
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No. W	Board Meeting Minutes from Window Rock	58
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A HEARING was taken upon oral examination by the parties through their respective attorneys before DEBORAH J. BOYETTE, RPR, a Certified Reporter in the State of Arizona, at the OFFICE OF ADMINISTRATIVE HEARINGS, 1400 West Washington Street, Suite 101, Phoenix, Arizona, on the 7th day of May, 2013, commencing at 8:00 a.m. of said day. Further, this deposition was taken pursuant to the Arizona Rules of Civil Procedure.

COUNSEL APPEARING:

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Attorneys for Arizona State Board for Charter Schools

Reed Gaddie
JOHN HANCOCK ACADEMY, INC.
833 East 6th Avenue
Mesa, Arizona 85204
Pro Se

1 PROCEEDINGS
2 May 7, 2013 8:36 a.m.
3 - - -
4
5 ADMINISTRATIVE LAW JUDGE: This is the time set for
6 hearing in the matter of John Hancock Academy,
7 Incorporated, an Arizona non-profit corporation,
8 Applicant, Docket No. 13F-AP-001-BCS.
9 Today's date is May 7, 2013. The time is
10 approximately 8:37 a.m.
11 My name is Sondra Vanella. I'm the Administrative
12 Law Judge appointed to preside over this matter.
13 May I please have your appearances for the record.
14 Let's start with Applicant.
15 MR. GADDIE: My appearances?
16 ADMINISTRATIVE LAW JUDGE: I just need you to state
17 your name.
18 MR. GADDIE: My name is Reed Gaddie. I'm
19 representing John Hancock Academy, Incorporated.
20 ADMINISTRATIVE LAW JUDGE: Thank you very much.
21 MS. ANDERSON: Your Honor, my name is Kim
22 Anderson.
23 I'm with the Assistant Attorney General's Office,
24 and I represent the Arizona State Board for Charter
25 Schools.

1 of the Arizona State Board for Charter Schools.
2 ADMINISTRATIVE LAW JUDGE: Thank you.
3 And present in the back of the hearing room, I just
4 need you to state your names and who you are.
5 MR. SARMENTO: Steve Sarmento, staff member for the
6 Arizona State Board for Charter Schools.
7 ADMINISTRATIVE LAW JUDGE: Thank you.
8 MS. MEDINO: Joanna Medino, a staff member for the
9 Charter Board.
10 ADMINISTRATIVE LAW JUDGE: Thank you.
11 MR. TOMPSON: Hugh Tompson, staff member for the
12 Charter Board.
13 ADMINISTRATIVE LAW JUDGE: Thank you.
14 And we also have court reporter, Debbie Boyette,
15 present as well.
16 And we discussed off the record that the transcript
17 will be the official record of the proceedings;
18 although, this matter is being digitally recorded as
19 well.
20 And that the Board will provide transcripts to both
21 the Office of Administrative Hearings and Mr. Gaddie.
22 Let me state for the record that the Office of
23 Administrative Hearings is an independent agency under
24 Arizona Revised Statute, Section 41-1092, authorized to
25 conduct hearings in contested matters arising out of

1 State regulation.
2 The Arizona rules of evidence to not apply in
3 administrative hearings, and all relevant testimony and
4 other evidence may be accepted.
5 The burden of proof in this particular matter is
6 upon the Applicant to establish by a preponderance of
7 the evidence that the Arizona State Board for Charter
8 Schools has improperly or erroneously denied John
9 Hancock Academy, Incorporated's, request for a charter.
10 As I stated, this hearing is being digitally
11 recorded. However, we also do have the court reporter
12 present.
13 Testimony given at this hearing must be under oath.
14 Therefore, I need to swear in everyone who will be
15 testifying.
16 Obviously, I do not need to swear in Ms. Anderson,
17 as she is counsel.
18 Can I have everyone else raise your right hands.
19 (All witness were sworn in at this time.)
20 ADMINISTRATIVE LAW JUDGE: Within 20 days of when I
21 actually close the record on this particular matter, I
22 will issue my recommended decision to the Board.
23 And then the Board will take action, I assume, at
24 its next regularly scheduled meeting; is that correct?
25 MS. ANDERSON: Yes, Your Honor.

1 ADMINISTRATIVE LAW JUDGE: Whenever that may be.
2 At this point, I don't know exactly when I'm going
3 to close the record, but I will determine that at some
4 point.
5 In terms of procedure, Applicant does bear the
6 burden of proof.
7 However, I am going to request that the Board
8 present its case first as there's obviously been a
9 denial of the charter in this particular matter, and I'd
10 like the Board to lay the foundation for that denial.
11 Any objection?
12 MS. ANDERSON: No, Your Honor.
13 ADMINISTRATIVE LAW JUDGE: Ms. Anderson, I assume,
14 will make a brief opening statement.
15 And then, Mr. Gaddie, you may do so as well. It's
16 just an overview of what you plan on presenting.
17 When openings are through, Ms. Anderson will
18 present the Board's case. She will do that through the
19 testimony of her witnesses.
20 You will be able to cross-examine her witnesses.
21 When cross-examination is concluded, she will have an
22 opportunity to redirect those witnesses as well.
23 When the Board is through presenting its case, you
24 will have an opportunity to present your case.
25 Although, you will be able to testify yourself.

1 I'm not going to have you question yourself, but
2 you can testify in narrative form.
3 MR. GADDIE: Thank you.
4 ADMINISTRATIVE LAW JUDGE: You're welcome.
5 And then you will be subject to cross-examination
6 by Ms. Anderson.
7 And then if you have any witnesses you want to
8 call, you will be able to question them, and
9 Ms. Anderson will be able to cross-examine them, and you
10 will be able to redirect as well.
11 MR. GADDIE: Thank you, Your Honor.
12 ADMINISTRATIVE LAW JUDGE: You're welcome.
13 When both parties are through presenting their
14 respective cases, you can both make brief closing
15 arguments. It's just a summation.
16 MR. GADDIE: Thank you.
17 ADMINISTRATIVE LAW JUDGE: And then in terms of
18 documentary evidence, I know that we do have some
19 stipulations. We did discuss that off the record very
20 briefly.
21 We also have some stipulations of fact and law.
22 So any exhibits that aren't stipulated to, when
23 they're offered, I'll ask the opposing party if there is
24 any objection.
25 If there is, I'll hear what the objection is, I'll

1 request a response from the opposing party, and then
2 I'll rule on it.
3 I will tell you I am liberal in allowing
4 documentary evidence into the record as long as it's
5 relevant to the proceeding.
6 Obviously, there have been a lot of prehearing
7 filings. I have issued rulings on, I believe, all of
8 those prehearing filings.
9 I've reviewed the record in this matter. I know
10 that there is some history.
11 I just want to be clear that the scope of the
12 hearing is limited to this particular application.
13 And anything that has happened in previous matters,
14 other charters, other revocations, other applications,
15 while there may be some history involved, and I'm not
16 opposed to hearing the history, I cannot relitigate
17 anything having to do with those matters that have
18 already been an adjudicated. Those matters stand.
19 I want to be very clear on the record as to that.
20 If we do start to stray from the issue at hand, I'm
21 probably going to reign everybody back in.
22 Any questions at this point?
23 MR. GADDIE: To what level, if I may ask, on the
24 history part, there's obviously the grounds -- one of
25 the grounds upon which it was denied had to do with the

1 history.
2 So what was your decision on that?
3 ADMINISTRATIVE LAW JUDGE: I'm not going to tell
4 you it can't be mentioned because, obviously, that is
5 one of the grounds. But it can't be relitigated.
6 Whatever the reasons for the previous revocation,
7 that's really not much of an issue.
8 The fact there was a revocation, obviously, is one
9 of the bases for the board's denial, so that is
10 relevant.
11 I know it's sort of a gray area, maybe, for you,
12 Mr. Gaddie. So if you have any procedural questions,
13 I'm happy to answer those.
14 I can't give you any legal advice. I can't
15 necessarily answer any substantive questions.
16 MR. GADDIE: I understand.
17 ADMINISTRATIVE LAW JUDGE: With that said, are
18 there any other questions from either party?
19 MS. ANDERSON: Yes, Your Honor.
20 ADMINISTRATIVE LAW JUDGE: Yes.
21 MS. ANDERSON: In clarification, I understood that
22 your order regarding the motion to exclude or suppress
23 the motion in limine that your order indicated that the
24 hearing is limited to the Board's denial of the
25 application, and that prior revocations and the facts

1 underlying prior revocations will not be relitigated in
2 this forum.
3 And you mentioned previously about the reasons for
4 the proposed revocation.
5 While it's the Board's position that this is not
6 the forum for the Applicant to now contest and to submit
7 evidence with regard to that revocation, the basis for
8 the revocation, the specific findings that are contained
9 in the hearing officer's decision are relevant to the
10 extent that the Board determined that the reasons for
11 that prior revocation indicated an inability or
12 unwillingness to comply with State law and charter
13 contract.
14 ADMINISTRATIVE LAW JUDGE: Correct.
15 And to clarify, that is the case.
16 And what I meant by "history" is that, obviously, I
17 do need to hear about that because that is one of the
18 bases.
19 I guess, those bases can't be disputed in this
20 forum because that would be relitigating them.
21 If another hearing officer or tribunal made a
22 finding and it wasn't appealed, that finding is final.
23 So there is nothing I can do about it.
24 But if it's one of the underlying bases, yes, it's
25 going to be relevant in this particular proceeding.

1 Does that clarify that at all, Ms. Anderson?
2 MS. ANDERSON: It does, Your Honor.
3 And to that issue, there are exhibits that the
4 Applicant has proposed that, in the Board's opinion, go
5 to that issue and seek to relitigate that and are not
6 relevant.
7 Also, I believe Mr. Reed indicated that James
8 Hamlin is one of his witnesses.
9 In the Applicant's list of witnesses and exhibits,
10 the Applicant describes Mr. Hamlin's testimony as a
11 construction worker in 1997 who saw individuals remove
12 ACT's attendance data card files, altered them, then
13 blamed Reed as an attempted cover-up, with additional
14 information.
15 It's the Board's position that this witness -- the
16 proposed testimony is with regard to the -- again, the
17 facts underlying the prior revocation and Mr. Gaddie's
18 attempts to relitigate that, and Mr. Hamlin's testimony
19 would not be relevant.
20 ADMINISTRATIVE LAW JUDGE: Do you want to respond
21 to that?
22 MR. GADDIE: We argue, Your Honor, that the entire
23 hearing itself was not lawful.
24 ADMINISTRATIVE LAW JUDGE: There's nothing I can do
25 about that.

1 MR. GADDIE: Okay. And secondly --
2 ADMINISTRATIVE LAW JUDGE: I just want to interrupt
3 you for a moment.
4 If that was your feeling, you should have appealed
5 that decision at that time.
6 MR. GADDIE: We did.
7 ADMINISTRATIVE LAW JUDGE: Well, I'm not sure
8 about -- I'm assuming the Board will address that.
9 It's my understanding that that's a final decision;
10 is that correct?
11 MS. ANDERSON: Yes, Your Honor.
12 ADMINISTRATIVE LAW JUDGE: Then there is nothing I
13 can do about it.
14 MR. GADDIE: Okay. That was not the reason that
15 was recorded on public record by the State.
16 ADMINISTRATIVE LAW JUDGE: Again, I'm not going to
17 preclude you from testifying.
18 Of course, the Board will -- if they have any
19 objections to what you're testifying about, I'm sure it
20 will make those objections.
21 We can maybe get to Mr. Hamlin at the time that
22 Mr. Gaddie's going to be doing his presentation.
23 Obviously, the Board is going to be doing its
24 presentation first.
25 So let's just get through what we can get through.

1 I'll make rulings as they need to be made.
2 MS. ANDERSON: Yes, Your Honor.
3 ADMINISTRATIVE LAW JUDGE: Thank you.
4 Go ahead whenever you're ready.
5 MS. ANDERSON: An Applicant seeking to establish a
6 charter school submits an application to a sponsor.
7 That sponsor can be the Arizona State Board for
8 Charter Schools, it can be a school district governing
9 Board, it can be a state university, it can be a
10 community college district.
11 The contents of the application are determined by
12 the sponsor.
13 In the Arizona State Board for Charter Schools'
14 consideration of an application to establish a charter
15 school, State law gives a great deal of discretion to
16 the Charter Board.
17 Specifically, the Charter Board may approve the
18 application if the application meets the requirements of
19 the charter school's statutes, and may approve the
20 charter if the Board determines, within its sole
21 discretion, that the Applicant is sufficiently qualified
22 to operate the charter school.
23 The Charter Board's application focuses on four
24 main areas; education plan, the organization plan, a
25 business plan, and the backgrounds of the principles of

1 the Applicant organization.
2 Its education plan addresses whether the Applicant
3 can provide a program of instruction aligning to the
4 Arizona academic standards for the grade levels that it
5 seeks to serve.
6 The organization plan and background information on
7 the Applicant principles address whether the Applicant
8 is sufficiently qualified to operate a charter school.
9 In its determination whether an Applicant is
10 sufficiently qualified to operate a charter school, the
11 Charter Board has established, by rule, what
12 "sufficiently qualified" means.
13 It's established by rule that it means the Board's
14 determination that an Applicant's experience,
15 qualifications, current or prior charter compliance, and
16 creditworthiness indicate an ability to implement a
17 charter or operate a charter school.
18 In this case, John Hancock Academy, Incorporated,
19 applied to State Board for Charter Schools to establish
20 a charter school.
21 John Hancock Academy is comprised of Delite Gaddie
22 and Reed Gaddie, its directors and officers.
23 You'll hear the process by which the Charter Board
24 evaluated the application of John Hancock, the
25 opportunity given to John Hancock to revise and resubmit

1 the application, and the Charter Board's determination
2 at the end of this process that Hancock's revised
3 application failed to meet the requirement to provide a
4 comprehensive program of instruction aligned to the
5 Arizona academic standards, and its determination that
6 Hancock was not sufficiently qualified to operate a
7 charter school.
8 The Charter Board's decision to deny John Hancock a
9 charter is reasoned, it's based in law, and it's clearly
10 within its discretion and authority to do so.
11 At the conclusion of the hearing, we're confident
12 that you will find that Hancock has failed to meet its
13 burden and that the Board's decision should be affirmed.
14 Thank you.
15 ADMINISTRATIVE LAW JUDGE: Okay.
16 Mr. Gaddie.
17 MR. GADDIE: Good morning, Your Honor,
18 Ms. Anderson, Ms. Rowe. Thank you for allowing me to
19 handle this case.
20 The reason we're here today is due to the fact for
21 over 30 years, families in the East Valley have been
22 calling upon my mother and father to educate their
23 children.
24 They have a very established reputation of being
25 high quality educators in a community for so long that

1 their students have gone to colleges and universities
2 and returned and grown into families, and they have a
3 desire to have their children and grandchildren have the
4 same high quality academic educational experience that
5 they had.
6 So they have asked my mother to complete their work
7 in Peoria, and to come back to their hometown one final
8 time, where they plan to open a private -- where they
9 opened their private school named John Hancock Academy
10 in 1970.
11 My mother has called upon me to assist her. This
12 application deals with her application, not mine. It
13 deals with her desire to expand.
14 She is not here today due to the fact she is
15 recovering from being in the hospital. And it's
16 unfortunate she is not here today.
17 I am her son. She asked me, because she knows that
18 I'm capable and competent to assist her.
19 I'm no stranger to her ways. I've known them all
20 my life. For me, there are two reasons why I agreed to
21 assist her.
22 One is that the application is the last opportunity
23 I will ever have to carry on her legacy to my three
24 children.
25 And secondly, because I have had a desire to honor

1 her and my father.
2 If it be granted to us, an opportunity to honor her
3 at a memorial, along with many other people, and 20,000
4 other students that they've educated since they've began
5 their education process in 1970, at the flagpole
6 ceremony.
7 We believe that the application is a -- the
8 application itself reflects a policy that was adopted
9 after we were chartered -- or, after my mother and
10 father were approved by the same Board, as applicants,
11 in 2000.
12 And they are presently operating one of the highest
13 quality, A-rated, excelling rated, charter schools in
14 the State of Arizona at this day, named Happy Valley
15 School. They're the founders of that school.
16 And in the Board's own admission, in writing -- I
17 don't have the document right in front of me -- they
18 admitted that it meets expectations, quote, unquote.
19 Therefore, having said that, we'll proceed with the
20 following.
21 ADMINISTRATIVE LAW JUDGE: Thank you.
22 Ms. Anderson.
23 MS. ANDERSON: Your Honor, we would -- the Board is
24 ready to call its first witness.
25 ADMINISTRATIVE LAW JUDGE: Okay.

1 MS. ANDERSON: The Board calls Steve Sarmento.
2
3 STEVE SARMENTO,
4 having been first duly sworn upon his oath by the Notary
5 Public to speak the truth and nothing but the truth, was
6 examined and testified as follows:
7
8 EXAMINATION
9 BY MS. ANDERSON:
10 Q. Would you please state your name for the record.
11 A. Steve Sarmento.
12 Q. Where are you currently employed?
13 A. I'm employed at the Arizona State Board for Charter
14 Schools.
15 Q. What is your position with the Charter Board?
16 A. I'm a program and project specialist.
17 Q. How long have you been employed at the Charter
18 Board?
19 A. I've been employed at the Charter Board for just
20 over two years.
21 Q. What are your duties there?
22 A. My duties as a staff member include
23 responsibilities and in two departments.
24 In the Department of School Quality, I'm
25 responsible for working in the areas of new charter

1 applications, expansion requests, which include amendments to
2 existing charter contracts and charter replications.
3 In the School Accountability Department, I have
4 responsibilities involving the evaluation of annual reports
5 submitted by charter holders, five- and ten-year review
6 process, and the review of renewal applications.
7 Q. What is your educational and professional
8 background and experience?
9 A. I've got 15 years of experience in education.
10 That includes grant writing -- specifically, grants
11 for that were funded by the U. S. Department of Education --
12 working with districts, and developing curriculum and
13 programs as part of their grant submission process for those
14 grants.
15 I've been employed as a curriculum specialist for a
16 charter management organization as part of a national
17 curriculum development team.
18 I've worked with schools in Arizona, Colorado, Ohio
19 and Michigan in the development of educational curriculum.
20 Part of my responsibility there also include being
21 a regional director, working specifically in Arizona with the
22 school leaders with the implementation and monitoring of the
23 curriculum in those schools.
24 My particular area of focus was in English language
25 arts in grades K through 8.

1 Q. Are you familiar with the process by which an
2 organization applies to establish a charter school?
3 A. Yes.
4 Q. If an organization wants to establish a charter
5 school, it submits a written application to a proposed
6 sponsor; is that correct?
7 A. Yes.
8 Q. If approved to establish a charter school, the
9 organization then enters into a contract, also known as a
10 charter, with the sponsor; is that correct?
11 A. Yes.
12 Q. And the Arizona State Board for Charter Schools is
13 one of several entities that an organization seeking to
14 establish a charter school can apply to; is that correct?
15 A. Yes.
16 Q. Are you familiar with the process by which the
17 Charter Board -- or, by which an organization applies to the
18 Charter Board to establish a charter school?
19 A. Yes, I am familiar with that process.
20 Q. Are you familiar with John Hancock Academy,
21 Incorporated?
22 A. Yes.
23 Q. How are you familiar with that entity?
24 A. That entity submitted an application for a new
25 charter as part of the application cycle.

1 Q. For what grades?
2 A. They submitted an application for grades
3 kindergarten through 6th grade.
4 Q. Was the application package to establish a charter
5 school beginning the 2013-2014 school year?
6 A. Yes.
7 Q. What are the components of the Charter Board's
8 application package to establish a charter school?
9 A. An application package consists of an education
10 plan, an organization plan, a business plan, and background
11 documents for the officers and directors of the Applicant
12 organization.
13 Q. Does the Charter Board provide assistance to
14 applicants with the charter application process?
15 A. Yes.
16 On the ASBCS website, there are links to U-Tube
17 videos, which include guided questions to provide technical
18 assistance for applicants in grading responses to address the
19 evaluation time period in the application.
20 Also, in the on-line form for the application, in
21 each area, there are links to help documents, and those help
22 documents provide information about the evaluation criteria
23 for each section of the application.
24 Q. We're using a couple terms here. We're using
25 ASBCS, we're using the Charter Board, and we're using the

1 Arizona State Board for Charter Schools, all of those terms
2 mean the same thing, the Arizona State Board for Charter
3 Schools, correct?
4 A. Yes.
5 Q. In making a decision whether to approve an
6 application to establish a charter school, on what does the
7 Charter Board base its decision?
8 A. The evaluation of the application, that is based on
9 the scoring criteria that are set for the application
10 package.
11 Q. Let's just take a step back.
12 In terms of the approval of the application as a
13 whole, when the Board is making a decision on that, is it
14 looking at the application and the qualifications as well as
15 the Applicant?
16 MR. GADDIE: Objection, Your Honor.
17 In this particular case, we dispute that the
18 application itself doesn't determine whether or not an
19 individual can operate a charter school or not.
20 ADMINISTRATIVE LAW JUDGE: Would you like to
21 respond to the objection?
22 MS. ANDERSON: Your Honor, at this point in time,
23 I'm asking the witness as to what -- in making its
24 decision, what it is that the Board bases that decision
25 of granting or denying the charter application.

1 ADMINISTRATIVE LAW JUDGE: In general?
2 MS. ANDERSON: Yes.
3 ADMINISTRATIVE LAW JUDGE: Okay.
4 I'm going to allow the question.
5 THE WITNESS: In general, the Board considers
6 whether the application meets the requirements set in
7 law, their own application requirements; and whether in
8 their discrimination, at their sole discretion, the
9 Applicant is sufficiently qualified to operate a charter
10 school.
11 BY MS. ANDERSON:
12 Q. In the case of the new charter application
13 submitted by John Hancock Academy, Incorporated, that I will
14 refer to as Hancock, who is the Applicant?
15 A. The Applicant is the organization of John Hancock
16 Academy, Inc.
17 Q. In determining whether the Applicant is
18 sufficiently qualified to operate a charter school --
19 MR. GADDIE: Objection again, Your Honor. That's
20 leading the witness.
21 The application does not determine -- we argue that
22 the application itself does not determine whether an
23 individual or a corporation cannot operate a charter
24 school due to the fact we already are operating a
25 charter school -- one of the Board members of our

1 corporation is already operating a charter school that's
2 functioning.
3 So to ask a question like that, I don't think
4 should be admitted.
5 MS. ANDERSON: Your Honor, it appears that the
6 Applicant is arguing that because one of the Board
7 members of the John Hancock Academy, Incorporated,
8 entity has experience operating a charter school that
9 that in and of itself means that the Board should
10 determine the Applicant is sufficiently qualified.
11 That is the question I'm getting to, is when
12 determining whether an Applicant is sufficiently
13 qualified.
14 My question to the witness is: For John Hancock
15 Academy, who is being considered when the Board
16 considers the Applicant?
17 ADMINISTRATIVE LAW JUDGE: I'm going to allow the
18 question with your objection noted.
19 Go ahead.
20 THE WITNESS: Would you please repeat your
21 question.
22 BY MS. ANDERSON:
23 Q. In the case of the new charter application
24 submitted by Hancock, who is the, quote, unquote, Applicant?
25 A. The Applicant is John Hancock Academy, Inc.

1 Q. Does that mean that it is the members that comprise
2 John Hancock Academy, Inc.?
3 A. Yes.
4 Q. In the case of Hancock, who are those members?
5 A. There are two members of the Applicant organization
6 John Hancock Academy, Inc., and those are Delite Gaddie and
7 Reed Gaddie.
8 Q. Delite Gaddie and Reed Gaddie are also the officers
9 of the corporation; is that correct?
10 A. That is correct.
11 Q. And the corporation contains solely those two Board
12 members; is that correct?
13 A. Yes.
14 Q. What is the Charter Board's process for considering
15 an application from an entity seeking to establish a Charter
16 School?
17 A. The entire process, review of the application
18 begins with submission of an application. It is first
19 reviewed for administrative completeness.
20 It is reviewed for if all of the required
21 components are present in the submitted application.
22 An application that is administratively complete
23 moves forward for substantive completeness.
24 An application that is administratively incomplete
25 are stopped in the process, they are then closed.

1 As part of the substantive review process, it's
2 review of the actual contents of the documents that are
3 submitted for the application.
4 As part of the substantive review process, there's
5 also an in-person review that's conducted with the
6 Applicant.
7 If the application is determined to be
8 substantively complete, they move forward to the Board for
9 consideration.
10 If the initial submission is substantively
11 incomplete, the Applicant is provided an opportunity to
12 revise and resubmit the application.
13 Q. The substantive completeness review, how is that
14 conducted?
15 A. There is a technical review panel that reviews the
16 application as part of the substantive review process.
17 Q. Following the substantive completeness review
18 portion of the application, is there a portfolio that is
19 prepared for the Board's consideration of the application?
20 A. Yes.
21 Applications that move forward to the Board, a
22 portfolio is created for presentation, which includes all the
23 components for the application.
24 Q. When the application moves forward to the Board for
25 consideration, that's conducted at one of its public

1 meetings; is that correct?
2 A. Correct.
3 Q. Is the Applicant also provided an opportunity to
4 make a presentation and to answer questions from the Board?
5 A. Yes.
6 Q. In addition to the application submitted by the
7 Applicant being in the portfolio, are there other items that
8 are included in the portfolio?
9 A. There is a staff report that is proposed by the
10 Board staff as part of the proposal.
11 And background information for the Applicant
12 members are included in the staff report.
13 Q. Prior to the Board's consideration of the
14 application to establish a charter school, is there an
15 opportunity in the process for the Applicant to make
16 improvements to its application based on feedback from the
17 Technical Review Panel?
18 A. Yes.
19 Q. Is the first version of the application what the
20 Board calls the preliminary application?
21 A. Yes.
22 Q. You talked about administrative completeness
23 review.
24 Could you tell us what that consists of.
25 A. That is a review of the documents that were

1 submitted to determine that all the required components have
2 been submitted as part of the application.
3 Q. Who conducts the administrative completeness
4 review?
5 A. Board staff.
6 Q. What was the result of the administrative
7 completeness review of the Hancock new charter preliminary
8 application package?
9 A. It was administratively complete.
10 Q. So did the Hancock preliminary application package
11 then move to the next step of the review process?
12 A. Yes.
13 Q. What was that next step?
14 A. Substantive review.
15 Q. Was does the substantive review process consist of?
16 A. The substantive review process consists of review
17 of the contents of the documents submitted as part of the
18 application.
19 And there's also an in-person interview as part of
20 the substantive review process.
21 Q. Is the substantive review process also where there
22 is a review and evaluation conducted by the Technical Review
23 Panel?
24 A. Yes.
25 Q. Is there a set of the criteria that the Technical

1 Review Panel uses in its determination whether a preliminary
2 charter application package is substantively complete?
3 A. Yes.
4 In the application, there are evaluation criteria.
5 Those evaluation criteria are entered into a scoring rubric
6 that the RP uses to determine whether each of those scoring
7 areas meets the criteria.
8 Q. Are applicants advised of the criteria which the
9 Technical Review Panel uses in the course of its evaluation
10 and scoring?
11 A. Yes.
12 The evaluation criteria are included in the
13 application instructions.
14 Q. Were you a member of the Technical Review Panel for
15 Hancock's application?
16 A. Yes.
17 Q. What was your participation in that panel?
18 A. I was the team lead.
19 The Board staff member serves as the team lead for
20 the Technical Review Panel.
21 Q. Did members of the Technical Review Panel also
22 conduct the in-person interview with members of Hancock?
23 A. Some of the members of the Technical Review
24 Panel -- the Technical Review Panel is composed of five
25 members.

1 There are two members with finance experience and
2 business, there are two with curriculum experience, and then
3 there is this Board staff member that serves as the team
4 lead.
5 For the in-person interview, one of the
6 representatives of each team -- one person with experience in
7 curriculum, one person in business and finance experience --
8 are selected to the Technical Review Panel.
9 I myself, as the team lead, was also present and
10 other Board staff were present for the process.
11 Q. Did the Technical Review Panel that evaluated
12 Hancock's preliminary application, did that also include two
13 members with a finance or business background, two members
14 with a curriculum background, and you?
15 A. Yes.
16 Q. When was the in-person interview conducted with
17 Hancock?
18 A. It was sometime in late October, I believe.
19 Q. Of 2012?
20 A. Yes.
21 Q. What's the purpose of the in-person interview?
22 A. The in-person interview provides the Applicant an
23 opportunity to demonstrate their ability to understand and
24 implement the program of -- the application as submitted.
25 It also provides them an opportunity to answer

1 questions that a Technical Review Panel may have as a result
2 of their initial review of the initial application package.
3 Q. Is another purpose of the in-person interview to
4 formulate an assessment of the capacity of the Applicant to
5 successfully implement the plan that they describe in the
6 application?
7 A. Yes.
8 Q. Is there a document that's generated from the
9 in-person interview?
10 A. After the in-person interview, an interview result
11 summary document is created.
12 Q. How is the Applicant scored on that document?
13 A. That interview summary document includes the
14 question that was asked, a summary of the Applicant's
15 response, the section of the application that the question
16 pertains to, and some comments about the information provided
17 in that.
18 For example, if the Applicant provided information
19 that addressed the criteria that was not present in the
20 written application, it was brought technical assistance that
21 this information, if provided in the revision, may result in
22 a change in the evaluation of that section.
23 Q. What was the result of the substantive completeness
24 review of the Hancock new charter application?
25 A. The preliminary application was found to be

1 substantively incomplete.
2 Q. Was Hancock advised of the results of the
3 substantive completeness review?
4 A. Yes.
5 Q. If you would, please refer to Board's Exhibit DD.
6 Is this a letter that advises Hancock of the
7 results of the substantive completeness review?
8 A. Yes.
9 Q. Would you just briefly take us through the exhibit
10 and identify what was provided to Hancock with this letter.
11 A. Up in the header, it contains the information of
12 the date that the notification was sent.
13 You can see there are also two attachments that
14 were included with the notification.
15 The first is the consensus scoring rubric. So that
16 is the scoring created by the TRP.
17 The second document, as you can see, is the John
18 Hancock Academy interview summary.
19 So there were two documents attached to this notice
20 provided to the Applicant.
21 In the actual notification itself, the TRP has
22 identified that it is substantively incomplete, and it lists
23 the criteria that needs to be met in order for an application
24 to be substantively complete.
25 It notifies then that it has failed to meet the

1 above scoring requirements and has been deemed substantively
2 incomplete.
3 In the second page -- within that notice, there is
4 also information informing them that they can request a
5 recording of the in-person interview.
6 Q. So in terms of the -- and "TRP" is Technical
7 Review Panel?
8 A. Yes.
9 Q. In terms of the reference on Page BCS371, at the
10 top to the attachment, John Hancock Academy Consensus Scoring
11 Rubric, is that what is contained beginning on Page 373?
12 I'm -- when I refer to page numbers, I'll be
13 referring to the number in the bottom right-hand corner that
14 begins with the letters BCS.
15 That completed scoring rubric begins on Page 373?
16 A. Yes.
17 Q. This is the Technical Review Panel's scoring of the
18 John Hancock's preliminary application package; is that
19 correct?
20 A. Yes.
21 Q. Could you tell us -- if you refer to Page 373, the
22 table there, across the top, there's three columns.
23 The one that says F, A, and M, could you tell us
24 what those mean?
25 A. The F stands for falls below. The A stands for

1 approaches. And the M stands for meets.
2 Those are the categories used in evaluating
3 sections of the application.
4 They reference whether or not the submission meets
5 the evaluation criteria which are present in that second
6 column.
7 Q. If the application in that particular area met the
8 scoring criteria, it would have a No. 1 in the M column; is
9 that correct?
10 A. That is correct.
11 Q. If it did not meet, it would have fell far below or
12 approached and would indicate a 1 in the F or A column; is
13 that correct?
14 A. Correct.
15 Q. In terms of the criteria that is being scored, if
16 we look on Page 373, where it says, for example, capital A,
17 1, small a, provide a detailed description of the school's
18 philosophical approach to improving pupil achievement in the
19 target population.
20 That is the criteria that the Technical Review
21 Panel is looking at for this particular topic?
22 A. Yes.
23 Q. In this case, the one in the M column indicates
24 that Hancock, for this particular area, met the criteria; is
25 that correct?

1 A. Yes.
2 Q. If there is an area in which Hancock did not meet
3 the criteria, is there an explanation as to what the problem
4 was with that area?
5 A. Yes.
6 In areas where -- for each of the scoring areas in
7 the evaluation criteria, in the far right column, are
8 technical assistance and comments.
9 For areas that do not meet, technical assistance
10 comments are provided to the Applicant to indicate why that
11 section did not meet.
12 Q. Is the idea for the technical assistance comments
13 the assist Hancock when it makes a revision to its
14 application, and assist Hancock in determining what it needs
15 to do in order to meet the scoring criteria?
16 A. If an Applicant chooses to revise and resubmit this
17 information, it's provided to identify how it did not meet
18 the evaluation criteria.
19 Q. If we refer back to Page 371 of this exhibit, you
20 also mentioned, as an attachment, the John Hancock Academy,
21 Inc., interview summary.
22 Is that what is contained beginning on Page 393?
23 A. Yes.
24 Q. Is the purpose of also including the results of the
25 in-person interview document so that Hancock, as any

1 Applicant, can use the information as assistance in improving
2 and revising their application if they choose to resubmit it
3 to the Board for reconsideration?
4 A. Yes.
5 Q. Of the options that were provided to Hancock on
6 Page 372, indicated by the headings, withdrawn the
7 application, revising and resubmitting, consideration without
8 revision, did Hancock opt to submit a revised application
9 package to the Charter Board?
10 A. Yes.
11 Q. Was Hancock's revised application package then
12 reviewed and scored?
13 A. Yes, it was.
14 Q. What did that reviewing and scoring of the revised
15 application package consist of?
16 A. The revised application package began looking at
17 the areas where it did not meet, to evaluate those sections
18 to determine whether those revisions in those areas resulted
19 in the new revised material.
20 I began by refreshing my memory of the scoring by
21 reviewing the scoring rubric of the preliminary area
22 application, identify what material was deficient.
23 I used that to then review the submitted documents
24 and make a determination of whether that revision now meets
25 the application scoring criteria.

1 Q. Did Hancock's revised application package meet the
2 Board's scoring criteria?
3 A. No.
4 Q. Was Hancock advised of the failure of its revised
5 application to meet the Board's scoring criteria?
6 A. Yes.
7 Q. Is that notification what is contained in
8 Exhibit EE?
9 A. Yes.
10 Q. Exhibit EE also includes a copy of the revised
11 application scoring rubric; is that correct?
12 A. Yes.
13 Q. If we refer to Page 400, if there is an area in the
14 columns that are marked F, A, and M, and there is an area
15 where it moved from approaches to meets.
16 Is that reflected by the one that was previously in
17 the approaches category, now moves over into the M column,
18 and there is now a C placed in the A column to reflect there
19 was a correction made?
20 A. Yes.
21 Q. If you would refer to Page 400, in the middle of
22 the page there, under Part A in the far column to the left,
23 there is the letters capital A.2b.
24 And to the column to the right of that information,
25 it states: Present an explanation of how the implementation

1 of the program of instruction described in A.3 meets the
2 needs of the target population, including pupil achievement.
3 There is, to the right of that, a one in the
4 approaches column.
5 To the right of that, under the technical
6 assistance comments, there are comments in bold as well as
7 not bold print.
8 What is the significance of this information?
9 A. When the technical assistance come in the unbolded
10 text, it means the original technical assistance was provided
11 in the scoring of the preliminary application.
12 The bolded text is the technical assistance that is
13 provided in the event that the application does not meet the
14 scoring criteria.
15 The bolding information is new information that has
16 been provided as technical assistance for an area that did
17 not meet the scoring criteria.
18 Q. When this particular area, the A.2b, does it
19 reflect that the one in the approaches column reflects that
20 John Hancock's preliminary application package for this area
21 did not meet the Board's scoring criteria; is that correct?
22 A. Yes.
23 Q. And that after the revisions that were submitted,
24 it continued to not meet the Board's scoring criteria; is
25 that correct?

1 A. Yes.
2 Q. For this particular area, John Hancock's
3 application did not meet the Board's scoring criteria
4 overall?
5 A. For this area, yes.
6 Q. Can you take us through this Exhibit EE, beginning
7 on Page 400, with regard to what Hancock was advised with
8 regard to the results of its substantive review of its
9 application package, focusing on the areas in the notice of
10 hearing, the areas the Board determined were deficient?
11 A. Sure.
12 We identified area A.2b was an area where the
13 application was deficient, and the technical assistance
14 comments were provided there.
15 Other areas that are on Page 404, the top two of
16 the first row, capital A.6, capital K.C. -- I'm sorry,
17 capital K.E., third column, indicates that we have a score of
18 approaches, we have a situation here where, in this area,
19 writing and math were initially not -- did not meet.
20 The bold comments indicate that revised submission
21 for the scoring area meets the criteria in math.
22 In kindergarten, in this summative assessment
23 category, a revision was submitted for math that now meets,
24 but no revised information was submitted for writing.
25 For this area to be scored overall as meets, all

1 three areas, reading, writing, and math, would have to be
2 scored as meets. Overall, this is approaches still.
3 In the row below, A6KF is a similar issue where
4 writing and math did not meet the preliminary application.
5 The revision was submitted for math, but no revised
6 information was submitted for writing. Overall, this area
7 remains approaches.
8 On Page 406, in the top row, A61E, summative
9 assessment was initially scored as approaches.
10 Received a revised submission for this area. Did
11 not meet. Technical assistance comments were provided for
12 first grade, indicating revised submission did not meet.
13 On Page 407, A62E, summit of assessment, we had
14 initially -- we have a revised submission that was submitted
15 for math that meets, a revised submission for writing that
16 does not meet.
17 Q. This is for second grade?
18 A. Yes.
19 On Page 411, A64F, the first row, this is for the
20 area of 4th grade, we have a notation that the revised
21 submission for writing does not meet.
22 As you can see above, there was a deficiency in
23 science that was revised and did meet, but we still have
24 deficiency in writing.
25 And on Page 412, this is for 5th grade, we have

1 revised submission that did not meet for writing.
2 Q. Is that reflected in the third row?
3 A. Reflected in the third row, A65F.
4 Q. If Hancock or any new charter Applicant has
5 questions about the comments contained in the Technical
6 Review Panel scoring rubric, can the Applicant get that
7 information from Board staff?
8 A. Yes.
9 That information is included in Exhibit EE, on
10 Page 399, in the letter that is provided -- talking about the
11 preliminary revision information.
12 Q. I'm asking you: If Hancock or any new charter
13 Applicant has questions about the comments in the rubric, can
14 they get clarification?
15 A. Yes.
16 That information is provided in the notice when
17 they receive the results of their preliminary application
18 scoring, DD.
19 Q. In EE, where Hancock was apprised of the results of
20 the scoring of the revised application package, on Page 399,
21 it also indicates at the bottom of that page that if there is
22 further questions about the process, that either you or Hugh
23 Thompson can be contacted; is that correct?
24 A. Yes.
25 Q. Following its receipt of the letter that is EE,

1 what were Hancock's options with regard to its revised
2 application package now that it was told it doesn't meet the
3 Board's scoring criteria?
4 A. On Page 398, the final paragraph indicates that
5 prior to receipt of this letter, the Applicant had already
6 contacted our office to request that their application move
7 forward for Board's consideration regardless of the results
8 of the revised application.
9 Q. So if a revised application package does not meet
10 the Board's scoring criteria and the Applicant is informed of
11 that, the Applicant can -- one of the options is to withdraw
12 their application?
13 A. Yes.
14 Q. Another option is to request that the application
15 move forward anyway to the Board for consideration?
16 A. Yes.
17 Q. And the last paragraph on Page 398 that you
18 referred to indicates that, even prior to receipt of this
19 letter, Hancock had requested that, regardless of the
20 results, it move forward to the Board for consideration; is
21 that correct?
22 A. Yes.
23 Q. And with Page 399, was Hancock advised of the
24 process that would be used by the Board when it considered
25 Hancock's revised application package?

A. Yes.
Q. Was it at the Charter Board's meeting on February 11, 2013, that the Charter Board considered Hancock's request to establish a new charter?
A. Yes.
Q. Were there written materials provided to the Board for its consideration of Hancock's application?
A. The portfolio is what was provided to the Board.
Q. When you say -- does "portfolio" include quite a few documents?
A. Yes.
Q. If you would refer -- please refer to the Board's Exhibits A through CC and all the subparts.
A. Okay.
Q. Do these exhibits comprise the portfolio that was provided to the Board for its consideration of the revised application package of Hancock?
A. Yes.
Q. Does the Charter Board access the portfolio by way of on-line through its website?
A. Yes.
Q. Was the portfolio also accessible to Hancock the same way, through the Charter Board website?
A. Yes.
Q. If you would, briefly, go through what was

contained in Hancock's portfolio.
If it's helpful, there is an exhibit list or exhibit index in front of Exhibit A that might be helpful in going through the portfolio.
A. Exhibit A regards the request for the application to move forward to the Board for consideration. Then there are e-mails between Reed Gaddie and DeAnna Rowe.
Q. DeAnna Rowe is the executive director of the Charter Board?
A. That is correct.
Exhibit B is the staff report, which is a document created by staff, and includes summary information regarding the different components of the application.
Following that is Exhibit C, which is the revised application scoring rubric.
D is the results of the in-person interview.
E, F, G, H, I -- let's see, E through K-7 is all the components of the education plan.
That includes E through I, which discusses their philosophy, their target population, program of instruction, their plan for mastery and promotion, and their school calendar and weekly schedule.
J is a performance management plan, which includes a narrative section and a template, which is action steps of how they're going to be implementing their plan.

K-1 through 7 are the curriculum samples for each grade level that the Applicant is going to serve at the proposed school site.
Those include samples for math, reading, and writing in all grades, with the addition of science in the 4th grade.
Q. In Exhibit E through K in the portfolio, those are the -- those are documents that the Hancock wrote and submitted as part of its application package?
A. Yes, this is the revised application that was submitted. We provide those documents to the Board.
L through O is the organization plan, which includes information about the Applicant organization.
The Articles of Incorporation, bylaws, description of the governing body, the management and operation of whether or not they're going to contract services for operation of the school.
And then P through T is the business plan, which includes sections regarding the facility that the school will be operated in, their advertising and promotion plan, their personnel plan, and their budgets.
There is a start-up budget for the initial year of application, initial and up to the first day of school.
And then the three-year operational budget, which covers the first three years of operation of the school.

Q. For clarification, Exhibits L through T are also the Applicant's application that Hancock submitted to the Board; is that correct?
A. That is correct.
Exhibits U through CC are additional background information that is provided to the Board regarding officer members and records of the Applicant organization.
Q. Is U through CC -- you said those were materials pertaining to the Applicant's background?
A. Background, yes.
Q. If you would, refer specifically to Exhibit V of the portfolio.
Can you tell us what Exhibit V is?
A. This is the findings and final recommendation for a charter revocation hearing from March 19th and 20th, 1998, between Window Rock Unified School District and Arizona Vocational Training School, LLC.
Q. What is the -- where was this obtained?
A. This was obtained through a public records request to Window Rock Unified School District.
Q. Why is this document included in the portfolio?
A. This document is included in the portfolio because it pertains to the prior charter compliance of one of the members/directors of the Applicant organization.
Q. Does it pertain to a charter school operated by

1 Arizona Vocational Training School, LLC?
2 A. Yes.
3 Q. Was Reed Gaddie a managing member of Arizona
4 Vocational Training School in its operation of the charter
5 school at issue here, which is Arizona Career and Technology
6 High School?
7 A. Yes.
8 MS. ANDERSON: Your Honor, I would move for the
9 admission of Exhibit V into evidence.
10 That was one of the exhibits that the parties did
11 not stipulate to.
12 ADMINISTRATIVE LAW JUDGE: Any objection?
13 MR. GADDIE: Your Honor, I'll always object on the
14 grounds that none of this was valid.
15 The State Department of Education didn't accept it
16 either. I'll always object to it.
17 ADMINISTRATIVE LAW JUDGE: You want to respond?
18 MS. ANDERSON: Your Honor, again, this is a
19 document that was contained in the Board's portfolio
20 that the Board considered in its determination not to
21 grant a charter to Hancock.
22 In particular, it pertains to the issue of the
23 Board's consideration of the Applicant's qualifications
24 to operate a charter school.
25 And goes back, again, to the Board's rule that

1 included in its determination -- or, its definition of
2 sufficiently qualified considers the prior charter
3 operation compliance of the Applicant.
4 MR. GADDIE: Objection, again, Your Honor.
5 Again, the final decisions of this particular
6 hearing again were not the final issues done.
7 And due to the end result of this action that was
8 taken place and the actions of this hearing, the
9 legislature immediately responded bypassing
10 ARS 15.185(H), which was to prevent such an event to
11 happen again.
12 Therefore, I don't think it's fair, in my opinion,
13 for this to be allowed as evidence to -- it might be a
14 ruling, but there is a legislation that passed after it
15 to prevent it from happening again.
16 ADMINISTRATIVE LAW JUDGE: Do you want to address
17 that?
18 MS. ANDERSON: Yes, Your Honor.
19 Mr. Gaddie's reference to legislation with regard
20 to 15.185(H).
21 15.185(H) is a provision that allows a sponsor to
22 withhold up to 10 percent of a school's funding -- of a
23 charter school's funding if that school is not in
24 compliance with its charter or it's not in compliance
25 with State or Federal law.

1 The legislation which added 15.185(H), the 10
2 percent withholding, did not occur until 2000, which was
3 two years after the revocation of Mr. Gaddie's prior
4 charter.
5 Moreover, that goes to the issue -- a separate
6 issue of Window Rock's withholding of State funds from
7 Arizona Vocational Training School.
8 That --
9 MR. GADDIE: Objection, again, Your Honor.
10 ADMINISTRATIVE LAW JUDGE: I'm going to give you an
11 opportunity, but let Ms. Anderson finish.
12 MS. ANDERSON: That is separate and apart from the
13 findings of Window Rock that led to the revocation of
14 the charter.
15 So Mr. Gaddie's argument -- again, I know it's
16 Mr. Gaddie's position that he doesn't agree with the
17 revocation.
18 However, there is no information indicating that
19 this matter was appealed.
20 In fact, I asked Mr. Gaddie specifically whether it
21 was appealed to the superior court, and he advised me it
22 was not.
23 This is a final decision.
24 MR. GADDIE: Objection, Your Honor, again.
25 That information is not correct.

1 A lawsuit was filed in Maricopa County Superior
2 Court by a bankruptcy attorney two years later. Actions
3 did happen.
4 And the Arizona Vocational Training did continue
5 for two years after to pursue what justice to gain a
6 fair judgment and seek -- what do those attorneys call
7 it -- relief or compensation for damages of actions
8 taken by that same particular Board that was unlawful.
9 All those arguments were argued by two -- actually,
10 three separate attorneys.
11 I've submitted those in evidence, which we haven't
12 covered yet.
13 ADMINISTRATIVE LAW JUDGE: But you have copies of
14 those?
15 MS. ANDERSON: Yes, Your Honor.
16 The exhibits that Mr. Gaddie refers to -- the
17 lawsuit was not a judicial review of this March 1999
18 revocation.
19 The lawsuit Mr. Gaddie refers to is a complaint
20 that was filed by a gentleman as a trustee of the
21 bankruptcy estate of Arizona Vocational Training.
22 It is simple -- that exhibit is simply a
23 complaint.
24 There is no indication there was any judgment.
25 It's not related to the charter revocation.

1 MR. GADDIE: Objection.
2 MS. ANDERSON: And furthermore --
3 ADMINISTRATIVE LAW JUDGE: Just a minute,
4 Mr. Gaddie.
5 MS. ANDERSON: -- that matter was dismissed. That
6 matter was not pursued to judgment.
7 ADMINISTRATIVE LAW JUDGE: What is it that you
8 wanted to say Mr. Gaddie?
9 MR. GADDIE: Objection, again, Your Honor.
10 Just because the case wasn't necessarily followed
11 through for years after, because it's expensive and we
12 all know it, doesn't necessarily mean that the arguments
13 that are in that complaint weren't valid and true.
14 ADMINISTRATIVE LAW JUDGE: But, Mr. Gaddie, unless
15 you have a judgment telling me this revocation was
16 invalid, didn't take place, void, what have you, this is
17 what stands.
18 Do you understand that?
19 MR. GADDIE: No.
20 ADMINISTRATIVE LAW JUDGE: Do you have a judgment
21 from any court that would advise me that this -- these
22 findings and final recommendations regarding this
23 charter revocation hearing from March 19th and 20th of
24 1998 is not a final decision?
25 MR. GADDIE: The final decision of the closure of

1 the school, according to the Department of Ed, they
2 reported to the National Education and Reform
3 Association, was not revocation.
4 ADMINISTRATIVE LAW JUDGE: Do you want to respond
5 to that?
6 MS. ANDERSON: Your Honor, again, I think that
7 Mr. Gaddie is referring to a proposed exhibit of his --
8 one moment -- his proposed Exhibit 10, which is simply a
9 report issued -- a document from the Center for
10 Education Reform that purports to provide an explanation
11 to as to why particular charter schools closed.
12 We would be objecting to that exhibit in any event
13 on the basis that there is no indication of the source
14 of that information.
15 MR. GADDIE: Our argument to that is Ms. DeAnna
16 Rowe has a school that is also listed on that same
17 document.
18 She can verify of its truth or not.
19 ADMINISTRATIVE LAW JUDGE: I guess I'm wondering
20 why there is confusion as to whether or not this is a
21 final order.
22 MS. ANDERSON: Your Honor, the Board is not
23 confused. This is a final order. Exhibit V is the
24 findings and recommendations of the hearing officer.
25 Exhibit W is the Board meeting minutes, indicating

1 that Window Rock Unified School District accepted the
2 hearing officer's recommendations for revocation.
3 There is absolutely no evidence submitted by
4 Mr. Gaddie that this is not a final order.
5 As I stated, in fact, when I asked him specifically
6 whether he had appealed this to the superior court, he
7 advised me that no, he had not.
8 ADMINISTRATIVE LAW JUDGE: Your bankruptcy case is
9 something that's separate?
10 MR. GADDIE: No, Your Honor.
11 We did make an attempt to also -- we did go to an
12 attorney, Greg Miles. We have that in evidence, and his
13 arguments, and his attempt to appeal.
14 It wasn't an appeal filed. It was a letter sent to
15 Window Rock.
16 ADMINISTRATIVE LAW JUDGE: So there was never an
17 appeal filed in court?
18 MR. GADDIE: Not officially.
19 ADMINISTRATIVE LAW JUDGE: So do you understand
20 Mr. Gaddie, that this is a final order?
21 If there was no appeal filed that overturned this
22 order or remanded it back or any of the other remedies
23 that may have occurred through the appeal process, that
24 this is final?
25 MR. GADDIE: I understand what you're saying.

1 But according to everything that I've -- I've been
2 told by these attorneys they're not valid, and it was
3 all illegal, every bit of it.
4 ADMINISTRATIVE LAW JUDGE: I am going to --
5 MR. GADDIE: That's what my legal attorneys told
6 me. I had three attorneys tell me that.
7 ADMINISTRATIVE LAW JUDGE: Okay.
8 I am going to admit Exhibit V.
9 That was your request, correct?
10 MS. ANDERSON: Yes, Your Honor.
11 ADMINISTRATIVE LAW JUDGE: Exhibit V is admitted.
12 (Board's Exhibit V was admitted into evidence.)
13 ADMINISTRATIVE LAW JUDGE: You may continue to
14 question the witness.
15 MS. ANDERSON: Thank you, Your Honor.
16 BY MS. ANDERSON:
17 Q. If you would, please refer to Exhibit W, which was
18 also contained in the Board's portfolio.
19 Can you identify that exhibit?
20 A. That exhibit is Board minute meetings from Window
21 Rock Unified School District.
22 Q. Those minutes are dated March 30th, 1998, correct?
23 A. Correct.
24 Q. And it indicates in Paragraph 5 that a motion was
25 made and passed to accept the hearing officer's

1 recommendation to revoke the charter of Arizona Vocational
2 Training Charter School; is that correct?
3 A. That is correct.
4 Q. How was this information obtained?
5 A. This document was obtained through a public records
6 request to Window Rock Unified School District.
7 Q. Why is this particular document included in the
8 portfolio?
9 A. This document is included as it pertains to the
10 background information of one of the principal members of the
11 Applicant's application.
12 MS. ANDERSON: Your Honor, I move for the admission
13 of Exhibit W into evidence.
14 ADMINISTRATIVE LAW JUDGE: Any objection?
15 MR. GADDIE: I don't have a choice, Your Honor.
16 ADMINISTRATIVE LAW JUDGE: I'm not sure what that
17 means.
18 MR. GADDIE: If we have to admit this into
19 evidence, we have to.
20 ADMINISTRATIVE LAW JUDGE: So you're not objecting
21 to it?
22 MR. GADDIE: I would object to all of it. It's not
23 legal.
24 ADMINISTRATIVE LAW JUDGE: You are objecting to the
25 admission of Exhibit W?

1 MR. GADDIE: Yes.
2 ADMINISTRATIVE LAW JUDGE: Do you want to respond?
3 MS. ANDERSON: Again, Your Honor, I believe that it
4 is Mr. Gaddie's disagreement with the results of the
5 revocation of his prior charter more than to any
6 objection that the document is not what it purports to
7 be.
8 ADMINISTRATIVE LAW JUDGE: I am going to admit
9 Exhibit W.
10 Your objection is noted for the record,
11 Mr. Gaddie.
12 (Board's Exhibit W was admitted into evidence.)
13 ADMINISTRATIVE LAW JUDGE: You may continue.
14 MS. ANDERSON: Thank you, Your Honor.
15 BY MS. ANDERSON:
16 Q. Would you please refer to Exhibit X and identify
17 this exhibit.
18 A. This is an e-mail that was sent to the Applicant,
19 specifically to Mr. Gaddie, regarding a discrepancy in
20 background information was that provided with the
21 application.
22 Q. Why is this document included in the portfolio that
23 was provided to the Board?
24 A. In the substantive review process, background
25 documentation is submitted to confirm and an employment

1 history is conducted.
2 In this case, there was a discrepancy. So this
3 information was included as information provided to the Board
4 to know and bring to their attention there was a discrepancy
5 in information provided as part of the application.
6 MS. ANDERSON: Your Honor, I would move for the
7 admission of Exhibit X.
8 MR. GADDIE: Objection.
9 ADMINISTRATIVE LAW JUDGE: What's your objection?
10 MR. GADDIE: Our objection is the discrepancy did
11 not exist.
12 The Board staff member that was doing the
13 investigating did not contact the person that they were
14 instructed to acquire the information.
15 When they did, they didn't identify themselves. So
16 consequently, the staff member contacted another
17 individual who had no idea about -- had no information
18 about the information that was submitted.
19 Therefore, it became a discrepancy at that point.
20 MS. ANDERSON: Your Honor, the witness has
21 identified and provided a foundation for the admission
22 of the exhibit.
23 If Mr. Gaddie seeks to, in his case, present
24 testimony with regard to this exhibit, he's free to do
25 so at that time.

1 The significance and relevance of this exhibit is
2 that, as the witness indicated, it goes to the
3 background and qualifications of the Applicant that the
4 Board must consider, and it also is a document that is
5 contained in the portfolio that the Board had in
6 considering Hancock's application.
7 ADMINISTRATIVE LAW JUDGE: I'm going to admit
8 Exhibit X, with your objection noted for the record.
9 (Board's Exhibit X was admitted into evidence.)
10 ADMINISTRATIVE LAW JUDGE: And again, you can
11 address any of these exhibits in your presentation of
12 Hancock's.
13 MR. GADDIE: Is that when I can do it?
14 ADMINISTRATIVE LAW JUDGE: Yes, you can absolutely
15 address them.
16 Go ahead.
17 BY MS. ANDERSON:
18 Q. Did Reed Gaddie and Delite Gaddie make a
19 presentation to the Charter Board and respond to the Board's
20 questions at the February 11, 2013 Charter Board meeting?
21 A. Yes.
22 Q. Was it the Charter Board's decision not to approve
23 Hancock's revised new charter application and to deny a
24 charter to Hancock?
25 A. Yes.

1 Q. Was Hancock advised of the Charter Board's decision
2 and the basis for that decision that was made at the meeting
3 on February 11, 2013?
4 A. Yes.
5 Q. Was Hancock advised of the Board's decision at the
6 meeting?
7 A. Yes.
8 Q. Was Hancock also advised of the Board's decision in
9 a follow-up writing?
10 A. Yes.
11 Q. Is that follow-up writing what's contained in the
12 Board's Exhibit FF?
13 A. Yes.
14 Q. In referring to the first indented paragraph on
15 Page 422 of Exhibit FF, it states that a basis of the Board's
16 decision not to approve Hancock's revised charter application
17 to establish a charter school is that the Applicant of the
18 application failed to meet the requirements of Title 15,
19 Chapter 1, Article 8 due to a lack of an education plan that
20 includes a program of instruction that improves pupil
21 achievement in the target population that meets the Board's
22 criteria as stated in the scoring rubric and demonstrated
23 through responses to interview questions.
24 Does that accurately reflect a basis of the Charter
25 Board's decision for the denial of the charter to Hancock?

1 A. Yes.
2 Q. Did Hancock, in its revised charter application
3 package, meet the Board's criteria requiring that they
4 identify a target population?
5 A. Yes.
6 Q. What does the term "target population" mean?
7 A. "Target population" is the students to be served by
8 the proposed school, including any specific information
9 regarding demographics or identified areas of need, such as
10 English Language Learners.
11 Q. When you say English Language Learners, are you
12 talking about students who are not proficient in the English
13 language?
14 A. Yes.
15 Q. You mentioned demographic information.
16 Is there also the -- is the income level of the
17 targeted population also -- is that an element of the target
18 population?
19 A. Yes, it is.
20 Q. Did Hancock meet the Board's criteria that requires
21 them to provide a description of their program of
22 instruction?
23 A. Yes.
24 Q. What does the term "program of instruction" mean?
25 A. The program of instruction is an overview of the

1 instructional methodologies, curriculum, and assessments that
2 will be used to determine student mastery of the standards.
3 Basically, how teaching is going to occur, how
4 they're going to teach, and how they're going to assess the
5 learning of the students.
6 Q. Would you please refer to the Board's Exhibit C, at
7 Page BCS016, the row in the bottom third of the page, where
8 it says, in the left -- far left column, A.2b.
9 Did Hancock meet the Charter Board's criteria that
10 requires them to explain how the implementation of their
11 program of instruction -- their proposed program of
12 instruction meets the needs of their identified target
13 population, including pupil achievement?
14 A. No, it did not.
15 Q. Why not?
16 A. They did not provide details explaining how the
17 school's proposed program of instruction improves pupil
18 achievement in the target population.
19 That information is provided in that same row,
20 A.2b, in the far right-hand column.
21 MR. GADDIE: Your Honor, we're going to be
22 objecting to that.
23 ADMINISTRATIVE LAW JUDGE: You're objecting to
24 what?
25 MR. GADDIE: The -- we didn't provide information

1 that determined how our program of instruction would
2 improve academic achievement in the target population.
3 ADMINISTRATIVE LAW JUDGE: You're disagreeing with
4 it?
5 MR. GADDIE: No. We disagree with that.
6 We did provide that. That's what we're going to
7 argue.
8 ADMINISTRATIVE LAW JUDGE: Okay.
9 MR. GADDIE: I just want to put that on record.
10 ADMINISTRATIVE LAW JUDGE: Okay.
11 Go ahead.
12 BY MS. ANDERSON:
13 Q. Can you explain how it is that the Hancock is
14 reflected in the scoring rubric on Page 16, how the revised
15 submission failed to provide detail explaining how the
16 school's proposed program of instruction improved pupil
17 achievement in the target population.
18 A. Explain how it was deficient?
19 Q. Yes.
20 A. I can direct you to Exhibit F. This is the target
21 population narrative.
22 In this narrative, they include the demographic
23 information.
24 In the narrative -- in terms of how that program of
25 instruction is going to meet the need of the target

1 population, the narrative makes reference to another school
2 Happy Valley School, and how that has implemented the
3 proposed program of instruction.
4 So we have information about the implementation at
5 another school.
6 There are differences between the target population
7 served by Happy Valley and by John Hancock Academy.
8 And the Applicant provided that information on
9 Page BCS056.
10 At the bottom of the page, there is a table that
11 indicates the differences in the target populations.
12 The narrative stated that this program of
13 instruction is in place at Happy Valley School, and they
14 expect similar results at John Hancock.
15 They include information, on Page 56, that
16 indicates that there are significant differences in those
17 populations.
18 They did not provide information in the narrative
19 in the -- did not provide information about how that proposed
20 program of instruction would meet the needs of that
21 population specifically taking into account the differences
22 between the two populations.
23 Q. Were the differences in the two populations
24 significant?
25 A. In the table, at the bottom of Page 56, in the

1 middle, there is a section called "income," and it speaks to
2 the students that are eligible for free or reduced price
3 lunch.
4 For Happy Valley, the existing school, their data
5 indicates that 14 percent of their population is eligible.
6 John Hancock estimates a range from 10 percent to
7 40 percent of their population.
8 That's a significant increase.
9 Q. What is the significance of this difference in
10 terms of Hancock's application description of providing a
11 program of instruction to a population that would be between
12 10 and 40 percent of students eligible for free or reduced
13 price lunch?
14 A. What's the significance of the differences in the
15 population as it relates to the program of instruction?
16 Q. You pointed out this income?
17 A. Yes.
18 Q. And you pointed out the difference in the amount of
19 students eligible for free and reduced price lunch that are
20 stated for Happy Valley School versus the estimated
21 percentage of those students for John Hancock.
22 I'm asking you: What is the significance of that
23 difference?
24 A. There is a larger number of students at John
25 Hancock that will be eligible for free or reduced price

1 lunch.
2 Q. What is the significance of there being a
3 difference in students eligible for free or reduced price
4 lunch?
5 A. Students that are eligible for free or reduced
6 lunch is a specific population that may have some specific
7 academic needs.
8 Generally, there are some educational gaps for
9 students that may need to be addressed.
10 So by indicating there is a larger percentage of
11 those students, they will have a larger population with some
12 specific academic needs greater than what is described as the
13 population at Happy Valley School's.
14 Q. Did Hancock, in its revised application package,
15 describe how it would meet the needs of this population of
16 between 10 to 40 percent eligible for free or reduced price
17 lunch?
18 A. No.
19 ADMINISTRATIVE LAW JUDGE: Can I follow-up with
20 that.
21 Regarding the increase in the special education
22 students and the English Language Learners, was that
23 addressed?
24 THE WITNESS: The English Language Learners was not
25 addressed in the narrative.

1 ADMINISTRATIVE LAW JUDGE: What about special ed?
2 THE WITNESS: In this section of the narrative,
3 they did not address the special education.
4 MR. GADDIE: Do the instructions call for it?
5 I'm sorry, Your Honor.
6 ADMINISTRATIVE LAW JUDGE: I was just curious
7 because there was a comparison.
8 MS. ANDERSON: We're actually about to get there.
9 ADMINISTRATIVE LAW JUDGE: Go ahead.
10 Sorry about that.
11 BY MS. ANDERSON:
12 Q. Is the English Language Learner population also an
13 area in which there was a difference in the target identified
14 for John Hancock -- the target population identified for John
15 Hancock?
16 A. Yes.
17 Q. What is the significance of there being a
18 difference between these two schools, existing and the
19 proposed school, the difference in the ELL?
20 A. Department of Education has specific requirements
21 regarding the education of English Language Learners, and
22 that includes four hours of instruction in English language
23 development.
24 That can be provided through individualized lesson
25 plans for students.

1 In the case of Happy Valley School, where only one
2 percent are ELL, doing a little math, I estimate that's
3 probably about eight students, so a small number of students.
4 When we have a larger number of students that are
5 at similar proficiency levels, entire classrooms are
6 dedicated to providing instruction of English language
7 development.
8 So with a larger percentage of students, a larger
9 number of students, a different structure would need to be in
10 place to provide that whole class instruction.
11 Q. In its revised application package, did Hancock
12 describe how it would meet the needs of an English Language
13 Learner population if the estimated would be six percent of
14 its student population?
15 A. No.
16 Q. At its in-person interview, did Hancock provide any
17 clarification or rationale on how its choice of its
18 educational model would meet the needs of these two
19 populations you described, the free and reduced lunch and
20 English Language Learners?
21 A. No.
22 Q. If you would, please refer back to Exhibit C,
23 Page 16, same row we were discussing in the middle of the
24 Page, A.2b.
25 In the far column to the right, marked Technical

1 Assistance Comments, the unbolded comments, did they reflec
2 the deficiencies found by the Technical Review Panel in its
3 evaluation of Hancock's preliminary application package?
4 A. Yes.
5 Q. These comments were provided to Hancock in the
6 letter that is Exhibit DD; is that correct?
7 A. Yes.
8 Q. And Hancock had the opportunity to submit revisions
9 to this portion of their application?
10 A. Yes.
11 Q. Did it submit revisions?
12 A. Yes.
13 Q. Were the revisions sufficient to move this portion
14 of their application from not meeting the criteria to meeting
15 the criteria?
16 A. No.
17 Q. Do the bolded comments reflect the deficiencies
18 found in the evaluation in Hancock's revised application
19 package?
20 A. Yes.
21 Q. So with regard to the Board's criteria of whether
22 Hancock presented an explanation of how the implementation of
23 its described program of instruction meets the need of the
24 target population, including pupil achievement, the one in
25 the A column means that Hancock did not meet the Board's

1 scoring criteria in this area; is that correct?
2 A. Yes.
3 Q. What is the significance of this deficiency,
4 specifically with how the program of instruction will meet
5 the needs of the target population as it relates to the
6 approval of the application?
7 A. Charter schools are to provide an environment that
8 results in an improved pupil achievement.
9 This is significant because, in its description of
10 its program of instruction, the Applicant wasn't able to
11 demonstrate that it would be able to improve pupil
12 achievement in its target population, the population of
13 students it would be serving.
14 MR. GADDIE: Again, just objection, Your Honor.
15 The application -- this particular portion of the
16 application does not determine the ability of the
17 Applicant to perform.
18 ADMINISTRATIVE LAW JUDGE: Mr. Gaddie, when you
19 object, you need to object to a question, not an answer.
20 Again, you're going to have an opportunity to
21 testify, okay?
22 MR. GADDIE: Okay.
23 ADMINISTRATIVE LAW JUDGE: Go ahead.
24 BY MS. ANDERSON:
25 Q. Would you refer back to Exhibit FF, again, that

1 first indented paragraph on Page 422.
2 Was another basis of the Board's decision not to
3 approve Hancock's revised application to establish a charter
4 school that Hancock's revised application failed to meet the
5 requirements of Title 15, Chapter 1, Article 8, due to the
6 lack of a writing curriculum aligned to State standards as
7 stated in the scoring rubric; is that correct?
8 A. Yes.
9 Q. Is the charter school required to provide its
10 students with a comprehensive program of instruction?
11 A. Yes.
12 Q. Does that mean its program of instruction must
13 align to the Arizona Academic Standards?
14 A. Yes.
15 Q. And those are standards set by the Arizona State
16 Board of Education?
17 A. Yes.
18 Q. What are the Arizona Academic Standards?
19 A. The Arizona Academic Standards indicate what a
20 student should be able to know and do at a specific grade
21 level within a specific content area.
22 Q. So these are a prescription of skills and levels
23 that are to be taught at each grade level by Arizona public
24 schools across the State; is that correct?
25 A. Yes.

1 It establishes a regular chronology of skills at
2 each grade level.
3 Q. When I say Arizona public schools, that includes
4 charter schools, correct?
5 A. Yes.
6 Q. Does the Charter Board's application package
7 require Hancock, as all applicants, to submit curriculum
8 samples that are aligned to the Arizona academic standards?
9 A. Yes.
10 Q. Why is that?
11 A. The curriculum samples that are required as a
12 component of the application, it provides the Applicant the
13 opportunity to demonstrate they can provide instruction
14 aligned to the Arizona academic standards, and its assessment
15 at the appropriate level of rigor of student knowledge for
16 those standards.
17 Q. Were Hancock's curriculum samples required to
18 include a summative assessment?
19 A. Yes.
20 Q. That's a requirement of all applicants?
21 A. Yes.
22 Q. What is a summative assessment?
23 A. A summative assessment is an assessment of student
24 learning, a student has been able to demonstrate that they
25 have mastered the skills described at a specific standard, at

1 the appropriate level of rigor.
2 It's given at the culmination of the instructions.
3 It's not the initial assessment of the student.
4 It's given at the point where the student would be
5 demonstrating mastery of the skill.
6 Q. Is that the point of instruction, for students to
7 master particular skills?
8 A. Yes.
9 Q. Does the summative assessment also include
10 criteria -- a list of criteria required to demonstrate
11 mastery of a standard?
12 A. Yes.
13 Q. Was Hancock required to submit a summative
14 assessment for each grade level that it was seeking to serve?
15 A. Yes.
16 Q. In what particular content areas?
17 A. For all grade levels, reading, writing, and math.
18 For 4th grade, that would also include science.
19 Q. What is the significance of requiring Hancock, as
20 any Applicant, to include a summative assessment for each
21 grade level that it seeks to serve?
22 A. A summative assessment is to demonstrate that the
23 Applicant can provide an assessment at the appropriate level
24 of rigor for that standard at that grade level.
25 It each grade level, the rigor increases. So by

1 having a summative assessment at each grade level, that
2 Applicant is able -- should be able to demonstrate that they
3 can assess at increasing levels of rigor in those content
4 areas.
5 Q. Was the kindergarten writing curriculum sample
6 submitted by Hancock in its preliminary application package
7 deficient?
8 A. Yes.
9 Q. Were those deficiencies identified to Hancock in
10 the technical review panel's scoring rubric that was included
11 with the Exhibit DD?
12 A. Yes.
13 Q. Did the Board provide Hancock with the opportunity
14 to submit revisions to the Board?
15 A. Yes.
16 Q. And did Hancock's revised application package
17 include any revised or additional information for its
18 kindergarten writing sample?
19 A. No.
20 Q. So the deficiencies that were noted with Hancock's
21 kindergarten writing and curriculum samples carried through
22 from the preliminary application to the revised application
23 because there were no subsequent revisions; is that correct?
24 A. Correct.
25 Q. What were the deficiencies with Hancock's writing

1 sample for kindergarten?
2 A. The curriculum writing sample was deficient as
3 stated in the Exhibit C, Page 20, Row A6KE, did not
4 adequately measure student mastery of the required standard
5 in writing.
6 And also, in A6KF, was deficient in including the
7 answer key or scoring rubric for writing.
8 Q. What is the significance of the deficiencies that
9 are reflected in the comments on the scoring rubric?
10 A. The summative assessment is to write an assessment
11 of student mastery. They were not able to provide one that
12 accurately measured student mastery with the standard.
13 In kindergarten, the Applicant could not
14 demonstrate they could provide an assessment at the
15 appropriate level of rigor to those standards.
16 Q. Was there also an issue with Hancock's summative
17 assessment providing multiple descriptions of how points
18 would be awarded?
19 A. Yes.
20 Q. What does that mean?
21 A. I can direct this to the curriculum sample that was
22 submitted. This is Exhibit K-1, Page 110.
23 In the bottom portion of this page, on 110, the
24 third paragraph says, scoring rubric.
25 It states that students can score 100 percent

1 points of the various points valued, questions, 5 to 20
2 points each.
3 Moving further down, we have an indication of
4 mastery.
5 And then the scoring rubric indicates that students
6 would provide the name of a place or animal and get 50 points
7 for that.
8 That's inconsistent with how the previous line
9 stated it would be scored.
10 Below that, it says that each word that provides
11 information about a place or animal would be worth 25
12 points.
13 That is outside the range that's described above of
14 points being valued at 5 to 20 points each.
15 Q. In the middle of the Page 110, next to the letters
16 A, B, C, D, reflects that 80 percent or above equals mastery
17 of the standard.
18 Using the points assigned by Hancock in this
19 kindergarten assessment, is there a way to achieve 80
20 percent?
21 A. No, there is not a way to achieve 80 percent.
22 Q. Was the first grade writing curriculum sample
23 provided by Hancock in its preliminary application package
24 deficient?
25 A. Yes.

1 Q. If you would, please refer to Exhibit C, Page 22,
2 the first column, A61E, in the far right column that provides
3 technical assistance comments.
4 Do the unbolded comments reflect the deficiencies
5 found by the Technical Review Panel in its evaluation of
6 Hancock's preliminary application package?
7 A. Yes.
8 Q. These comments were provided as feedback, and
9 assistance was provided to Hancock in Exhibit D; is that
10 correct?
11 Excuse me. Exhibit DD.
12 A. Exhibit DD, yes.
13 Q. Did the Board provide Hancock with the opportunity
14 to submit revisions in this area?
15 A. Yes.
16 Q. And did Hancock submit revisions to first grade
17 writing curriculum sample?
18 A. Yes.
19 Q. Did those revisions meet the Board's scoring
20 criteria?
21 A. No.
22 Q. Why did they not meet the Board's scoring criteria?
23 A. The summative assessment did not accurately measure
24 student mastery of that standard, and that is indicated in
25 Row A61E.

1 In the far right column, the technical assistance
2 is provided there in bold.
3 Q. Can you walk us through how that item was scored as
4 not meeting the Board's criteria.
5 A. Refer you to Exhibit K-2. Page 126, this is the
6 curriculum sample for writing.
7 So we've identified this is a writing sample, in
8 the middle, we have a standard number and description, which
9 indicates the grade, the strand, the cluster, and finally the
10 standard, which indicates the students would write
11 informative or explanatory text.
12 So an assessment would be assessing the student's
13 ability to write informative or explanatory text.
14 Refer you to Page 132, summative assessment. This
15 is an annotation.
16 As we see in the instructions, students are to
17 complete two practice annotations and to complete a final
18 summative annotation.
19 And the directions state that they are identifying
20 information from writing written by someone else. The writer
21 of this piece does these things and they're identifying
22 information as provided in the writing of another.
23 They are not providing their own original
24 composition for a writing standard. So it's not assessing a
25 student's writing.

1 They're clearly identifying information, which
2 closely resembles a reading standard to read something and
3 identify information.
4 Q. Were there any other deficiencies with regard to
5 Hancock's revised submission on this summative assessment
6 area for 1st grade writing?
7 A. We have what was identified. The summative
8 assessment does not demonstrate mastery of the standard.
9 Q. Was the 2nd grade writing curriculum sample
10 provided by Hancock in its preliminary application package
11 deficient?
12 A. Yes.
13 Q. Was the deficiency also in the summative assessment
14 area?
15 A. Yes.
16 Q. Would you refer, please, to Exhibit C, Page 23.
17 In the column toward the bottom part of the page,
18 A62E, again, as previously you testified, the unbolded
19 comments reflect the deficiencies that were found by the
20 Technical Review Panel in its evaluation of the preliminary
21 application package; is that correct?
22 A. Yes.
23 Q. Those comments were provided to Hancock for
24 assistance in revising its package in Exhibit DD; is that
25 correct?

1 A. Yes.
2 Q. Did Hancock submit revisions to the 2nd grade
3 writing curriculum sample?
4 A. Yes.
5 Q. And did the revisions to the writing -- 2nd grade
6 writing curriculum sample, similarly to the 1st grade writing
7 sample, fail to provide a fairly described summative
8 assessment to demonstrate mastery of the Arizona Academic
9 Standards?
10 A. Yes.
11 Q. Were there any other deficiencies found in
12 Hancock's revised 2nd grade writing curriculum sample?
13 A. No.
14 Q. Was there -- as with kindergarten, was there any
15 issue in the 2nd grade writing sample with regard to the
16 points awarded?
17 A. The rubric states that 80 points is mastery, and
18 the points do not allow the student to achieve that 80 points
19 minimum level of mastery.
20 Q. Was the 4th grade writing curriculum sample
21 provided by Hancock in its preliminary application deficient?
22 A. Yes.
23 Q. And the Technical Review Panel comments, with
24 regard to their review of the 4th grade writing sample, was
25 provided to Hancock in Exhibit DD; is that correct?

1 A. Yes.
2 Q. Did Hancock submit revisions to its 4th grade
3 writing curriculum sample?
4 A. Yes.
5 Q. Did those revisions meet the Board's scoring
6 criteria?
7 A. No.
8 Q. What were the deficiencies?
9 A. Deficiencies stated in the technical assistance
10 comments, which is in Exhibit C, Page 207, top row --
11 Q. Is it 207 or 27?
12 A. 27. I apologize.
13 Exhibit C, Page 27, top row, A.6.4.F, indicates
14 that failed to meet the criteria because they lack sufficient
15 detail in listing criteria required to demonstrate mastery of
16 the required standard in writing.
17 Direct you to the curriculum sample, which is
18 Exhibit K-5, Page 194, which is the 4th grade English
19 language arts writing curriculum sample submitted by John
20 Hancock Academy.
21 Second row up from the bottom, provide a
22 description of the standard number and description. The
23 grade, strand, cluster, and description of the standard.
24 There are subsets of skills for that standard.
25 There are multiple components to be mastered.

1 Mastery of this standard, they are identified as
2 Parts A, B, C, D, E are the skills required by that standard.
3 So assessing mastery would be assessing mastery of
4 all of those skills.
5 Turn to the scoring rubric provided that's used to
6 determine how mastery is to be achieved. That is on
7 Page 201.
8 This is the writing rubric for 4th grade. So there
9 are -- across the top, there are ways that points are awarded
10 for does not meet, almost meets, meets or exceeds, and
11 they're ranged from 1 to 4.
12 Three points in a category is awarded for meeting.
13 The first row is a category that includes all the
14 components of the standard in that third column for meets.
15 So a student demonstrating mastery of all the
16 components to the writing standard would achieve three
17 points.
18 They also achieve points in the two other
19 categories which identify skills that are not related to that
20 identified writing standard. Before demonstrating mastery, a
21 student can achieve three points.
22 Mastery is determined -- as stated on Page 195, a
23 score of nine points indicates mastery of the standard.
24 So given that a student can achieve points in
25 categories not related to the standard, it would be possible

1 for a student to get nine points in multiple ways.
2 One of those includes scoring one or two points in
3 that top row and not demonstrating mastery of the standard
4 and achieving higher points in other two categories, which
5 would be a total of nine points, which the scoring scale
6 states is mastery of the standard.
7 But the student would not have demonstrated mastery
8 of the standard because in that first row, they would only
9 have one or two points in the skills related to the
10 standards.
11 Does that make sense?
12 ADMINISTRATIVE LAW JUDGE: Thank you for the
13 explanation.
14 BY MS. ANDERSON:
15 Q. Was the 5th grade writing curriculum sample
16 provided by Hancock in its preliminary application package
17 deficient?
18 A. Yes.
19 Q. The Technical Review Panel's evaluation and
20 comments of the 5th grade writing curriculum sample, their
21 comments were provided to Hancock, is that correct, in what
22 is Exhibit DD?
23 A. Yes.
24 Q. Did the Board provide Hancock with the opportunity
25 to submit revisions to the 5th grade writing sample?

A. Yes.
Q. Did Hancock submit revisions to its 5th grade writing sample?
A. Yes.
Q. Did those revisions meet the Board's scoring criteria?
A. No.
Q. Why didn't those revisions meet the Board's scoring criteria?
A. As indicated in Exhibit C, Page 28, Row A65F, it indicates that they lack sufficient detail in listing criteria required to demonstrate mastery to the Board's standard in writing.
Similar issue as to what was present in 4th grade, where students can achieve points for demonstrating toward what was defined as mastery without actually demonstrating mastery in the specific skill.
Q. So the issue with the 5th grade writing curriculum sample identified in the scoring rubric, on Page 28, is the same issue that was identified for 4th grade writing curriculum sample?
A. Yes.
Q. What is the significance of the deficiencies that you've described with Hancock's writing curriculum samples as it relates to the approval of the application

overall?
A. Pupil achievement is demonstrated through demonstrating mastery of the standards.
That is how pupil achievement is measured.
If the charter schools didn't prove student achievement, you have to look at how that is measured. That is mastery of the standards.
By providing curriculum samples that were deficient, they were not able to demonstrate that they could provide summative assessments that accurately demonstrated student mastery of the required standards, they could not demonstrate that they could provide instruction that was improving pupil achievement.
Q. Do the deficiencies also reflect the Applicant's failure to demonstrate that it could provide a comprehensive program of instruction aligned to the Arizona Academic Standards?
A. Yes.
Q. In referring to Exhibit FF, Page 422, the second indented paragraph, does it reflect that Hancock's application to establish a charter school was also denied based on the Applicant not being sufficiently qualified to operate a charter school?
A. Yes.
Q. In considering an application to establish a

charter school, does the Board, as any proposed sponsor, make a determination in its discretion whether the Applicant is sufficiently qualified to operate a charter school?
A. Yes.
Q. The Board has defined by rule what the term "sufficiently qualified" means; is that correct?
A. Yes.
Q. Are an Applicant's experience and qualifications two of the Board's considerations in its determination of sufficiently qualified?
A. Yes.
Q. In the case of Hancock's application, did the Board consider the prior charter -- let's back up a minute.
Does the Charter Board's portfolio contain information that was provided by the Applicant with regard to Delite Gaddie and Reed Gaddie's experience and qualifications?
A. Yes.
Q. And the information provided by the Applicant itself is contained, in part, at Exhibit L-3; is that correct?
A. Yes.
Q. And in this portion of the Applicant organization of the application, you refer to -- beginning on Page 254, it reflects, in the middle of the page, before the No. 1, it

says Delite Gaddie, this reflects that this section pertains to current or prior charter operation by any principal, correct?
A. Yes.
Q. It goes on to describe Delite Gaddie's current or prior charter operation; is that correct?
A. Yes.
Q. And beginning on Page 256, it provides that same information for Reed Gaddie; is that correct?
A. Yes.
Q. At the bottom of Page 256, the last sentence that continues on to Page 257, it states that Reed Gaddie was also involved with the start-up and operation of the Arizona Career and Technology Charter School, correct?
A. Yes.
Q. Did the Arizona Vocational Training -- Arizona Career and Technology Charter School operate under the sponsorship of Window Rock Unified School district?
A. Yes.
Q. When was that?
A. That was the end of the late 1990s.
Q. What information is contained in the portfolio pertaining to Reed Gaddie's membership in Arizona Vocational Training and its operation of the charter school, Career and Technology Charter School?

1 A. His membership is included in Exhibit U.
2 This is the Arizona Corporation Commission
3 corporate inquiry for Arizona Vocational Training.
4 It indicates that Reed Gaddie is a member.
5 Q. Reflects he was one of two members?
6 A. Yes.
7 Q. And also, there is information regarding Reed
8 Gaddie's operation of previous operation of a charter
9 school that's contained in Exhibits V and W as well,
10 correct?
11 A. Yes.
12 Q. What is the significance of the Applicant's prior
13 experience operating a charter school as it relates to the
14 Board's decision whether or not to grant a charter?
15 A. The significance of prior charter operation is
16 significant in terms of their compliance with Arizona law and
17 the operation of the school in terms of: Has the Applicant
18 maintained compliance?
19 We also look at it in terms of the prior charter's
20 academic performance.
21 Q. It was -- was it on the basis of the --
22 Mr. Gaddie's prior operation of a charter school whose
23 charter was revoked by Window Rock in 1998 and the basis for
24 those revocations, was that the basis for the Board's
25 determination that John Hancock was not sufficiently

1 qualified to operate a charter school?
2 A. Yes.
3 MS. ANDERSON: Your Honor, I have no further
4 questions of Mr. Sarmento.
5 ADMINISTRATIVE LAW JUDGE: That is really good
6 timing, because my pen just ran out of ink.
7 What I'd like to do -- looking at the time, it's
8 about 10:45.
9 Let's take about 10 minutes, and we'll come back.
10 And then just so everyone knows about the timing
11 for the rest of the day, which I probably should have
12 told you earlier, generally, we break around noon, come
13 back about 1:15.
14 And then we can go to 5:00 or thereabouts, and then
15 we'll come back tomorrow morning.
16 If you want to start at 8:00, we can start at
17 8:00.
18 If that was difficult for some people to get here
19 at 8:00, we can start at 8:30.
20 I'm flexible with that. So you can think about
21 that.
22 So let's go off the record and take a 10-minute
23 recess.
24 (Brief recess.)
25 ADMINISTRATIVE LAW JUDGE: We are back on the

1 record.
2 Mr. Gaddie, now is your opportunity to
3 cross-examine Mr. Sarmento.
4 MR. GADDIE: Okay.
5
6 EXAMINATION
7 BY MR. GADDIE:
8 Q. Steve, for the record, would you please describe to
9 us your education background.
10 MS. ANDERSON: Objection, asked and answered.
11 ADMINISTRATIVE LAW JUDGE: You want to respond to
12 the objection?
13 MR. GADDIE: Is it okay to ask for that?
14 ADMINISTRATIVE LAW JUDGE: I believe the objection
15 is that Ms. Anderson already asked Mr. Sarmento about
16 those -- his background, and he answered it.
17 MR. GADDIE: I'll reword the question.
18 BY MR. GADDIE:
19 Q. How many years have you been in education?
20 A. About 15 years.
21 Q. Of those many years, have you ever been employed
22 with Ms. Rowe before?
23 A. Before --
24 Q. Prior to working for the Board?
25 A. Prior to working for the Charter Board, yes.

1 MR. GADDIE: Am I allowed to go through my exhibits
2 now?
3 ADMINISTRATIVE LAW JUDGE: You can certainly
4 reference them and offer them, yes.
5 MR. GADDIE: Okay.
6 BY MR. GADDIE:
7 Q. In reference to what I call 12.2.1 --
8 A. What is that?
9 Q. It's the notice of the Board charter action on the
10 application.
11 ADMINISTRATIVE LAW JUDGE: Do you have a copy for
12 the witness?
13 MR. GADDIE: I gave a copy to everyone today.
14 ADMINISTRATIVE LAW JUDGE: It's 12. -- which
15 exhibit?
16 MR. GADDIE: The one on the very top.
17 ADMINISTRATIVE LAW JUDGE: 12.1?
18 MR. GADDIE: Yes.
19 I think that under State's evidence, it would be
20 FF, Exhibit FF.
21 THE WITNESS: Okay.
22 BY MR. GADDIE:
23 Q. Is it your opinion -- or, could you sum total it up
24 that in Paragraph 3, the application failed, how many issues
25 or reasons are there indicated there for her denial?

1 A. In the second indented paragraph?
2 Q. The first indented one.
3 A. States: Due to lack of an education plan that
4 includes a program of instruction that improves pupil
5 achievement of the target population that meets the Board's
6 criteria, the low scoring rubric index created through the
7 response to the review questions, a lack of a writing
8 curriculum aligned with State standards and State scoring
9 rubric, and a lack of a business plan that meets the Board's
10 criteria as stated in its application.
11 Q. How many is that?
12 A. Three.
13 Q. I counted four, but that's okay.
14 The final one would be the -- I assume, the
15 remaining portion of this document refers to my lack of
16 qualifications, correct, on the next paragraph?
17 A. Next paragraph states that Applicant is not
18 sufficiently qualified to operate a charter school due to
19 Mr. Gaddie's prior operation of a charter school.
20 MR. GADDIE: Your Honor, it's our --
21 ADMINISTRATIVE LAW JUDGE: Let me stop you for a
22 moment.
23 I am going to give you an opportunity to testify.
24 However, now is not that time.
25 Now is your opportunity to question Mr. Sarmento.

1 MR. GADDIE: Okay.
2 Very good.
3 BY MR. GADDIE:
4 Q. In document BCS067 -- I don't know what section
5 that's in.
6 MS. ANDERSON: It's in Board's Exhibit G, Your
7 Honor.
8 MR. GADDIE: G, okay.
9 BY MR. GADDIE:
10 Q. In this particular page, can you please describe
11 the methods of instructions that's indicated here, please.
12 MS. ANDERSON: Objection, Your Honor.
13 I think the exhibit has been stipulated for its
14 admission into evidence, and the exhibit can speak for
15 itself.
16 ADMINISTRATIVE LAW JUDGE: Do you want to respond?
17 MR. GADDIE: Your Honor, what we are trying to do
18 here is establish the fact that our schools do not use
19 the grade form system -- we use a form system rather
20 than a grade system. First, second grade, we use a form
21 system.
22 We believe that it was misunderstood, that they did
23 not understand that in the beginning, and we are trying
24 to establish that fact.
25 ADMINISTRATIVE LAW JUDGE: If you want to ask

1 questions regarding that, I will allow it.
2 Go ahead.
3 BY MR. GADDIE:
4 Q. Did you read over the ability grouping description?
5 A. I read the narrative that was submitted as part of
6 the application.
7 Q. Did you notice in there that it states that unlike
8 mainstream public schools --
9 MR. GADDIE: Am I allowed to quote that?
10 ADMINISTRATIVE LAW JUDGE: Again, I can't tell you
11 how to present your case, but you can certainly ask this
12 witness questions about this document.
13 BY MR. GADDIE:
14 Q. Is ability grouping a system that's used typically
15 in districts?
16 A. I'm not working in the district.
17 Not to my knowledge. I don't know how districts
18 operate. It's outside my area.
19 Q. Are you familiar with grade systems?
20 A. Grade systems?
21 Q. 1st grade, 2nd grade?
22 A. Yes.
23 Q. In the description here, looking at the pages here,
24 under kindergarten, it indicates that it's equivalent to
25 what?

1 A. On Page 67, ability to perform system, the first
2 bullet point states: Kindergarten form equivalent to
3 kindergarten.
4 Q. And the lower form is equivalent to?
5 A. Equivalent to 1st and 2nd grades.
6 Q. And the middle form?
7 A. Equivalent to 3rd and 4th grades.
8 Q. And upper form?
9 A. Equivalent to 5th and 6th grades.
10 Q. Could you describe for me the paragraph following
11 that, please.
12 A. Describe the paragraph?
13 I can read the paragraph.
14 It's titled: Intensive Phonics First Instruction.
15 Q. Does this particular document describe what the
16 Gaddie Educational Model does as far as offering phonics
17 first instruction?
18 A. This document was submitted as the program of
19 instruction.
20 It includes a section titled: Intensive Phonics
21 First Instruction.
22 MR. GADDIE: Your Honor, what we're trying to
23 establish is the fact that the Applicant has provided
24 the method or the means for how it provides a program of
25 instruction.

1 ADMINISTRATIVE LAW JUDGE: Again, Mr. Gaddie,
2 you're testifying.
3 You'll be able to do that; just not right now.
4 MR. GADDIE: Okay.
5 BY MR. GADDIE:
6 Q. In Exhibit 069, does it mention anything about
7 English Language Learners?
8 A. There is a bullet point heading titled English
9 Language Learners.
10 Q. Does it give any information about how the
11 instruction will be provided?
12 A. It states that John Hancock Academy shall follow
13 Arizona Department of Education policy in their
14 identification and assessment of students identified as
15 English Language Learners with Arizona Proficiency
16 Assessment, Arizona English Language Learners, AZELA.
17 Speaks to identification and assessment of
18 students.
19 Q. On Exhibit 068, BCS068, in the bullet where it
20 mentions the Arizona Academic State Standards.
21 A. The third black bullet point.
22 Q. Did you review that when you were reviewing this
23 application?
24 A. I reviewed the revised application, yes.
25 Q. Did you review the mastery based instruction

1 paragraph on 068?
2 A. Yes.
3 Q. Can you describe to me what you believe that to be?
4 A. I can read the information contained in here, which
5 states that there -- it's the mastery based instruction is in
6 its pivotal instruction of methodology that's driven through
7 research and evidence.
8 It states that the Gaddie Education Model provides
9 instruction for approximately 20,000 students.
10 The Gaddie Education Model defines mastery as
11 student's legible understanding of the subject matter.
12 And mastery is considered when students are tested
13 on material and they all attain a minimum score of 80
14 percent.
15 Q. Are you familiar with many of the methods of
16 instructions that charter schools use here in our State?
17 A. Yes.
18 Q. Are they typically purchased or preprinted by
19 publishers, or come as packages, or offered in sections?
20 A. There is a broad range of approaches that the
21 charter schools use depending on their size.
22 They include things that are purchased and things
23 that are from one source or multiple sources.
24 Q. Do you know any of them that develop their own?
25 A. That develop their own?

1 Q. Own method of instruction?
2 A. Yes.
3 Q. How many do you think are here in this State, in
4 your opinion?
5 A. There are over 400 schools that we oversee.
6 I would not be comfortable estimating that because
7 I don't have knowledge of every single one of those.
8 Q. Just give a general what you thought.
9 MS. ANDERSON: Objection, asked and answered.
10 ADMINISTRATIVE LAW JUDGE: If he can't answer the
11 question, that's all.
12 MR. GADDIE: That's fine.
13 BY MR. GADDIE:
14 Q. Excuse me, Steve, the technical review panel is in
15 what section?
16 A. The interview summary results are included as part
17 of the portfolio that is submitted to the Board.
18 That is included in Exhibit D.
19 Q. Thank you.
20 In Exhibit L38 (sic), the first question that was
21 asked, can you repeat that for the record, please.
22 A. What does the Gaddie Educational Model look like
23 through the course of the day -- I'm sorry.
24 The first question: Describe the typical day in
25 the life of a 3rd grade student in your school.

1 Q. In reference to 067, what do you think would be an
2 adequate response to that considering the information
3 provided on Exhibit 067?
4 ADMINISTRATIVE LAW JUDGE: Mr. Gaddie, when you're
5 referring to the page numbers, those are actually page
6 numbers; not exhibits.
7 For clarification of the record --
8 MR. GADDIE: Page numbers.
9 ADMINISTRATIVE LAW JUDGE: Yes, they're Bates
10 stamped.
11 MR. GADDIE: I'm sorry, Your Honor.
12 BY MR. GADDIE:
13 Q. Page number 067.
14 A. The question is?
15 Q. In relation to -- in consideration of the
16 information that was provided on Page 067, specifically in
17 the ability grouping, what do you think would have been an
18 appropriate question to be asked to the Applicants based on
19 the fact that they provided information that they use ability
20 grouping rather than a grading system in the Tech Review
21 Panel interview?
22 A. This was the question that was asked: Describe the
23 typical day in the life of a 3rd grader.
24 Q. According to the exhibit on Page 67, ability
25 grouping form system does not use grade system. Uses a form

1 system.
2 A. Equivalent to 3rd and 4th grade.
3 Q. Would there be a way the Applicant could provide a
4 quality or proper answer with considering that they use a
5 form system rather than a grade system?
6 A. If we're asking for a description of the typical
7 day --
8 Q. Third grade day.
9 A. -- of the life of a 3rd grade student.
10 Q. The Applicant indicated, in 67, they do not use
11 third grade.
12 MS. ANDERSON: Objection, Your Honor.
13 It doesn't reflect the contents of Page 67 of
14 Exhibit G.
15 It states that middle form is the equivalent to 3rd
16 and 4th grades.
17 ADMINISTRATIVE LAW JUDGE: Mr. Gaddie, to clarify,
18 are you saying that whoever asked this question during
19 an interview should have said: Describe a typical day
20 in the life of a middle form student?
21 MR. GADDIE: Yes.
22 ADMINISTRATIVE LAW JUDGE: Would your answer have
23 been different?
24 MR. GADDIE: Absolutely.
25 ADMINISTRATIVE LAW JUDGE: Okay.

1 Go ahead.
2 MR. GADDIE: Absolutely, it would.
3 I can't comment, so I won't.
4 BY MR. GADDIE:
5 Q. In reference to -- did John Hancock Academy provide
6 adequate curriculum samples for reading and mathematics for
7 kindergarten through 6th grade?
8 A. That information would be contained in the scoring
9 results rubric?
10 Q. Yes.
11 A. Look at the portfolio, Exhibit C.
12 For kindergarten?
13 Q. Kindergarten through 6, in mathematics and
14 reading.
15 A. The revised application submitted curriculum
16 samples for reading and math as far as meeting the criteria.
17 Q. And the science, 4th grade?
18 A. 4th grade science, revised curriculum sample was
19 submitted was scored as meets.
20 Q. And 3rd grade writing?
21 A. 3rd grade writing was scored as meets.
22 Q. What is the overall application score, final
23 revised score, that John Hancock Academy had?
24 A. The final score?
25 The total?

1 Q. Yeah.
2 A. The total score which is indicated on page --
3 Exhibit C, Page 307, in the bottom section of the table,
4 there is a grand total that indicates there were 10 areas
5 scored as approaches, 122 scored as meets, and indicates that
6 no areas in Parts A, B, or C received a score of falls far
7 below, but more than one scoring area in each section scored
8 approaches, and fell below the 95 percent.
9 Q. What was the percentage score that the application
10 received?
11 A. 10 out of 122.
12 Which is -- have to do the math here to get an
13 exact percentage.
14 Q. The staff report, where is that at?
15 MS. ANDERSON: Exhibit B.
16 ADMINISTRATIVE LAW JUDGE: What exhibit?
17 MS. ANDERSON: Exhibit B, as in boy.
18 THE WITNESS: On Page 12, Exhibit B, the overall
19 score states that in the preliminary application
20 package, 25 percent of the scoring areas did not meet;
21 and in the revised application, 7 percent of the scoring
22 areas did not meet.
23 BY MR. GADDIE:
24 Q. The final score?
25 A. For the revised application package, 7 percent.

1 Q. Does that mean 7 percent out of how many?
2 Does that mean 7 percent passed, or 7 percent was
3 acceptable or meets, or 7 percent did not meet?
4 A. It states here that 7 percent of the scoring areas
5 did not meet the criteria.
6 Q. Translated, then, the score is 93 out of 100, I
7 would assume?
8 A. Seven percent did not meet the criteria.
9 Q. Would that be safe to say?
10 A. 93 percent meets the criteria.
11 Q. Out of 100?
12 A. Yes.
13 Q. So out of the entire application, 93 percent of it
14 met the criteria, correct?
15 MS. ANDERSON: Objection, asked and answered.
16 ADMINISTRATIVE LAW JUDGE: Sustained.
17 Next question.
18 BY MR. GADDIE:
19 Q. What was the percentage that met the criteria
20 standard for the application?
21 MS. ANDERSON: Objection, asked and answered.
22 ADMINISTRATIVE LAW JUDGE: He's already answered
23 that.
24 MR. GADDIE: 95 percent.
25 ADMINISTRATIVE LAW JUDGE: Was your answer 95 or

1 93?
2 THE WITNESS: For clarification, this application
3 is for 93 percent.
4 The Board has set a criteria. To meet their
5 criteria, they must score 95 percent of the scoring
6 areas.
7 MR. GADDIE: The organizational section?
8 MS. ANDERSON: Should be in Exhibit L, beginning of
9 Exhibit L.
10 BY MR. GADDIE:
11 Q. Page 249, did you read this page in Exhibit L?
12 A. I reviewed all parts of the submitted application.
13 Q. This particular page and the following page
14 describe what?
15 A. The Applicant organization.
16 Q. Which Applicant?
17 A. John Hancock Academy, Inc.
18 Q. Does it mention anything about Delite Gaddie in
19 there?
20 A. Yes.
21 Q. What does it -- can you tell me what it describes
22 about her?
23 MS. ANDERSON: Objection, Your Honor.
24 There is a significant amount of material in these
25 two pages that describe Delite Gaddie.

1 I believe that the exhibit -- the contents of the
2 exhibit can speak for itself without the witness having
3 to repeat what is contained in this exhibit.
4 MR. GADDIE: We argue, Your Honor, that the
5 information that was provided by the Applicant in
6 Page 249 was not provided to the Board members when it
7 was presented to the Board.
8 What was presented to the Board --
9 ADMINISTRATIVE LAW JUDGE: Why don't you ask the
10 witness that question, whether or not it was presented
11 to the Board, if that's what you're trying to find out.
12 BY MR. GADDIE:
13 Q. Was the information provided in 249 presented to
14 the Board members?
15 A. Yes.
16 Q. In its entirety?
17 A. Yes.
18 Q. Can you review for me Page 10, 010?
19 A. Okay.
20 Q. Would you say that that's what was presented to the
21 Board as a description of the background of Delite Gaddie?
22 A. This is the staff report. This is one of the
23 components that was submitted to the Board.
24 The portfolio includes all the components of the
25 application.

1 The staff report includes summaries of the contents
2 of the entire application package.
3 Q. In your opinion, does the information provided on
4 Page 10 in the Board report, Board staff report -- is that
5 right -- in sections chartered principal's background
6 information, provide the same information or equivalent to
7 the same information as it was presented in Page 249 in the
8 application?
9 A. Staff report provides a summary of information.
10 Q. On Page 10 of the staff report, how many years'
11 experience does the document indicate that Delite Gaddie has
12 in education?
13 A. I see a component that indicates confirmed
14 education history, confirmed employment history, review of
15 individual financial provisions, current or past charter
16 affiliations.
17 Q. What was her involvement in schools as a whole
18 provided on page 10?
19 A. It's described --
20 Q. In years-wise?
21 In number of years?
22 A. We have listed the current or past charter
23 affiliations, and lists the Happy Valley School.
24 Q. And no other information about any other schools is
25 provided?

1 A. Those are her confirmed employment history.
2 It is also for Happy Valley School.
3 Q. No information on anything else?
4 A. The Gaddie Curriculum Information Consulting.
5 Q. Very good.
6 In relation to Page 249, second paragraph, would
7 you please read the first sentence there.
8 A. Applicant history stability evaluation in how
9 operating charter school became part of its mission.
10 Q. I'm sorry.
11 I guess it would be the third paragraph, where it
12 starts: Delite Gaddie.
13 A. Delite Gaddie has been directly involved in the K
14 through 12 education program for nearly four decades.
15 Q. Reference back to Page 10 again.
16 A. Okay.
17 Q. What did it provide for number of years'
18 involvement in schools in her grades?
19 A. There's nothing that indicates number of years.
20 There's confirmed employment history.
21 Q. Confirmed employment history and what?
22 A. There's the confirmed employment history and
23 current and past charter affiliations.
24 Q. So there's no information provided to the Board
25 members about the information that was in 249, in that

1 particular paragraph?
2 A. This information was provided to the Board in the
3 portfolio.
4 Q. Correct.
5 Was the information at 249, third paragraph, where
6 it states Delite Gaddie was involved in this for four
7 decades, was that provided to the Board?
8 A. Yes, this entire section is provided to the Board
9 as part of the application portfolio.
10 Q. Was that provided to the Board members in the Board
11 meeting, the entire application?
12 MS. ANDERSON: Objection, Your Honor, asked and
13 answered.
14 The witness testified that this portfolio was what
15 was provided to the Board for its consideration at the
16 meeting, and that the Board's portfolio consisted of
17 Exhibits A through CC.
18 ADMINISTRATIVE LAW JUDGE: That question has been
19 answered in the affirmative, I believe.
20 MR. GADDIE: Okay.
21 Your Honor, I'm sorry. The Exhibits 17 through 19
22 that was submitted, not admissible or was it
23 admissible?
24 ADMINISTRATIVE LAW JUDGE: We didn't talk about
25 admissibility because you hadn't offered it.

1 Generally, when a document is not stipulated to,
2 there needs to be some foundation laid for the document.
3 MR. GADDIE: I didn't want to bring it up if it
4 wasn't admitted.
5 ADMINISTRATIVE LAW JUDGE: You can reference the
6 document or documents.
7 And then if you want to offer them, if a sufficient
8 foundation has been laid, you may do so.
9 MR. GADDIE: Okay.
10 BY MR. GADDIE:
11 Q. In reference to 18.1 through 18.3 --
12 MR. GADDIE: I don't think Steve has seen that
13 yet.
14 Maybe he has. I don't know.
15 ADMINISTRATIVE LAW JUDGE: Do you want me to show
16 him my copy?
17 MR. GADDIE: Yes.
18 ADMINISTRATIVE LAW JUDGE: Okay.
19 18.1 through 18.3, you said?
20 MR. GADDIE: Yes.
21 BY MR. GADDIE:
22 Q. Would you review that for me, please, and tell me
23 if you feel that just the scoring mastery issues on this 5th
24 grade template indicates scoring mastery is correct.
25 A. You're asking me to evaluate whether it meets the

1 criteria?
2 Q. Yes.
3 MS. ANDERSON: Objection, Your Honor, relevance.
4 I don't know, in terms of a foundation, as to what
5 this curriculum sample is.
6 I don't believe that it's the curriculum sample
7 that was part of its revised application package that is
8 contained in the Board's portfolio.
9 MR. GADDIE: We'll withdraw that for now.
10 I'll bring it up later.
11 ADMINISTRATIVE LAW JUDGE: Thank you.
12 MR. GADDIE: I'm going to rest right now.
13 ADMINISTRATIVE LAW JUDGE: You have no further
14 questions?
15 MR. GADDIE: No.
16 ADMINISTRATIVE LAW JUDGE: How long do you think
17 you'll be on redirect?
18 MS. ANDERSON: I think it should be pretty brief,
19 Your Honor.
20 ADMINISTRATIVE LAW JUDGE: Okay.
21 Go ahead.
22
23 FURTHER EXAMINATION
24 BY MS. ANDERSON:
25 Q. Mr. Sarmento, Mr. Gaddie referred you to Exhibit G,

1 Page 67, which provides a document submitted by the
2 Applicant, describing its ability grouping form system.
3 Does a school's grouping students into ability,
4 which may include a grouping of several grades together, does
5 that negate the requirement for an Applicant seeking to
6 establish a new charter to submit a curriculum of instruction
7 for individual numbered grade levels that align to the
8 Arizona Academic Standards?
9 A. No.
10 Q. So if, for example, the Gaddie school has for its
11 lower form group equivalent of 1st and 2nd grades, the
12 Hancock application would still need to separate the
13 curriculum that's provided to 1st graders from the curriculum
14 provided to 2nd graders; is that correct?
15 A. Yes.
16 Q. There is a different level of rigor required for
17 1st grade curriculum than there is for 2nd grade curriculum,
18 correct?
19 A. Yes.
20 MR. GADDIE: Objection.
21 ADMINISTRATIVE LAW JUDGE: You can't object to the
22 answer.
23 What's your objection?
24 Is it to the question?
25 MR. GADDIE: The question insinuates that the

1 method of instruction being used is also out of
2 compliance with the program of instruction being used
3 today at another school that is scoring really high in
4 the team area right now.
5 ADMINISTRATIVE LAW JUDGE: Do you want to respond
6 to the objection?
7 MS. ANDERSON: Your Honor, we haven't mentioned
8 this with regard to another school.
9 The witness was simply testifying as to the
10 continued requirement despite the ability grouping form
11 system to have curriculum to submit -- for an Applicant
12 to submit curriculum that is aligned to the standards
13 for each particular grade level.
14 ADMINISTRATIVE LAW JUDGE: I'm going to allow the
15 question.
16 Go ahead.
17 Did you answer?
18 MS. ANDERSON: Can you read the question back.
19 (Court reporter read back as requested.)
20 BY MS. ANDERSON:
21 Q. Can you please refer to Page 69 of Exhibit G.
22 The bullet in the middle of the page, English
23 Language Learners that Mr. Gaddie referred to in his
24 cross-examination of you.
25 Does this paragraph -- this bulleted paragraph

1 regarding English Language Learners address the
2 identification and the assessment used to identify an English
3 Language Learner as opposed to how to instruct an English
4 Language Learner?
5 A. Yes.
6 Q. And the Arizona English Proficiency Assessment is
7 provided -- is an assessment approved by the Department of
8 Education that is used to identify students who are not
9 proficient in the English language; is that correct?
10 A. Correct.
11 Q. If you would, refer to Exhibit D, the Technical
12 Review Panel in-person review results.
13 On cross-examination, Mr. Gaddie raised with you
14 the Question No. 1, in the first row of that box, about
15 describing a typical day in the life of a 3rd grade student
16 at your school.
17 And the Applicant did describe that typical day as
18 reflected in the italicized writing in that box; is that
19 correct?
20 A. Yes.
21 Q. You were present for the in-person interview?
22 A. Yes.
23 Q. Did Mr. Gaddie or any member at this meeting that
24 represented the Applicant advise you that given their ability
25 level grouping that it is not appropriate -- that they would

1 not be able to respond to that question?
2 A. No.
3 Q. In order for a new charter application package to
4 be determined to be substantively complete, the package must
5 not have any area -- there must be no evaluation areas in the
6 TRP scoring rubric where the score was received an F, or
7 falls below expectations; is that correct?
8 A. Yes.
9 Q. That wasn't the problem with Hancock's application
10 because they didn't have any areas that fell below
11 expectations, correct?
12 A. There were no areas that fell below.
13 Q. An application package also fails to meet the
14 Board's scoring criteria if more than one evaluation area in
15 each section is scored as approaching; is that correct?
16 A. Yes.
17 Q. Did the Gaddie revised application package have
18 more than one evaluation in a section scored as approaching?
19 A. Yes.
20 Q. What evaluation area and what section were
21 those?
22 A. It's indicated in Exhibit C, Page 200.
23 ADMINISTRATIVE LAW JUDGE: You mean: 20?
24 THE WITNESS: Yes, 20.
25 ADMINISTRATIVE LAW JUDGE: Thank you.

1 THE WITNESS: This is the kindergarten curriculum.
2 A6KB is scored as approaches, and A6KF is scored as
3 approaches.
4 On the following page, that is totaled up, and the
5 total for that section is two areas scored as
6 approaches.
7 MR. GADDIE: Your Honor, we've already established
8 that fact already.
9 ADMINISTRATIVE LAW JUDGE: Okay.
10 Go ahead.
11 BY MS. ANDERSON:
12 Q. So was the Applicant's having more than one
13 evaluation area in a section scored as approaching a basis
14 for the Board's determination that the Hancock application
15 failed to meet the requirement of Title 1, Chapter 1,
16 Article 8?
17 A. Page 37 indicates the scoring results, and that
18 indicates that more than one scoring area in each section
19 scored approaches, and also failed the 95 percent test.
20 So it failed to meet the criteria. Therefore, it
21 was substantively incomplete.
22 That communication was included in the letter,
23 substantively incomplete.
24 Q. The Board's criteria that more than one scoring
25 area in each section -- let me rephrase that.

1 The Board's criteria that no more than one
2 evaluation area in each section is scored as approaching,
3 which you said Hancock did not meet, goes to the issue of the
4 whether the application meets the requirement of Title 15,
5 Chapter 1, Article 8, due to the lack of an education plan
6 that includes a program of instruction and that improves
7 pupil achievement -- or, lack of pupil achievement, due to
8 lack of a writing curriculum aligned to the State standards;
9 is that correct?
10 A. Yes.
11 Q. The exhibit that is Exhibit B, which you identified
12 as the staff report, does it summarize certain pieces of the
13 application package?
14 A. Yes.
15 Q. But the application package itself in its entirety
16 is -- or, was provided to the Board for its consideration of
17 Hancock's application, correct?
18 A. Yes.
19 MS. ANDERSON: I have no further questions, Your
20 Honor.
21 ADMINISTRATIVE LAW JUDGE: Thank you.
22 It's about 10 to 12:00, so probably now would be a
23 good time to take our lunch recess.
24 When we come back, you can call your next
25 witnesses.

1 How many more witnesses will you be calling?
2 MS. ANDERSON: We have no further witnesses for our
3 direct.
4 We may have rebuttal. But at this point, I don't
5 know.
6 ADMINISTRATIVE LAW JUDGE: Are you resting now,
7 other than rebuttal?
8 MS. ANDERSON: Yes, other than just to note for the
9 record that with the admission of Exhibits V, W, and X
10 through the witness Mr. Sarmento, and the stipulations
11 to the exhibits that all of the Board's Exhibits A
12 through FF are admitted into evidence.
13 ADMINISTRATIVE LAW JUDGE: Okay.
14 Thank you.
15 All right. So when we come back, Mr. Gaddie, you
16 will have your opportunity to present your case then.
17 MR. GADDIE: Thank you.
18 ADMINISTRATIVE LAW JUDGE: All right.
19 So let's return at 1:15.
20 MR. GADDIE: Thank you.
21 (The noon recess was taken from 11:50 a.m. to
22 1:15 p.m.)
23 ADMINISTRATIVE LAW JUDGE: All right.
24 We are back on the record. It's about 1:17.
25 Mr. Gaddie, now is your opportunity to present

1 Hancock's case.
2 MR. GADDIE: I'd like to begin with my
3 testimony.
4 ADMINISTRATIVE LAW JUDGE: Okay.
5 Go right ahead.
6
7 REED GADDIE,
8 Having been first duly sworn upon his oath by the Notary
9 Public to speak the truth and nothing but the truth, was
10 examined and testified as follows:
11
12 MR. GADDIE: Your Honor, Kim, DeAnna, and everyone
13 here, thank you very much for the opportunity of being here,
14 working with you throughout this process.
15 I know it's been difficult for everyone. However,
16 we'll deal with things as we can see them.
17 The reason we're here today is due to the fact, for
18 over 30 years, families of the East Valley have been calling
19 upon my mother and father to educate their children.
20 They have a very established reputation of being
21 high quality educators in the community for so long that
22 their students have gone to colleges and universities, and
23 returned and grown into families, and now they desire to have
24 their children and grandchildren to have the same high
25 quality honors and academic education experience they had.

1 Introducing myself, I'm Reed Hancock Gaddie, son of
2 Ernest and Delite Gaddie.
3 Delite Hancock is my mother's maiden name.
4 Our family was here, in Boston, as early as 1632,
5 and was in Arizona in 1868.
6 So we are true Arizonans, and we've been living
7 here a long time and helped settle the East Valley,
8 especially in the Mesa area.
9 In 1970, my mother and father opened a private
10 school named John Hancock Academy, which was the end result
11 of a battle which took place in the 1960s.
12 In the historical significance, it was in 1963 that
13 one woman in Texas filed a lawsuit and had God and prayer
14 removed from our schools in The United States.
15 And church and state were then separated through a
16 judicial decision.
17 At that point, the education system that once led
18 the entire country and made us lead the world was gone and
19 vanished.
20 And consequently, we have never been able to
21 achieve it since. That's our view of it.
22 However, there are people who maintained or kept
23 that, or have preserved and handed down that particular
24 education system, and that is one of the ones we have here
25 today before us, is the one that mother and father are

1 using.
2 My mother is also a third -- distant third cousin
3 to the former governor, John Hancock, who was the first to
4 sign the Declaration of Independence.
5 We are proud of that heritage as well.
6 The name is appropriate, and we feel that that name
7 is appropriate for us.
8 But there is another reason my mother is going to
9 open a school.
10 And I'd like to clarify the fact that this
11 application is not dealing with myself. It's my mother's
12 application.
13 If I may say, when she stood before the Board on
14 February 11th, she stated that it was her effort to expand.
15 So I'm going to continue on that level.
16 Your Honor, I cannot begin to tell you how -- what
17 it's been like to grow up in a home where you have both
18 parents working as educators and run and operate a school all
19 your life, almost.
20 My family has been involved in education from the
21 very beginning.
22 For me, my education in teaching and school
23 administration began at my childhood dinner table, along with
24 my brothers and sisters, who operate charter schools
25 themselves as well.

1 Presently, my family members, including my sister
2 Kelly, my brother Glenn, and my mother and father, operate
3 Burke Basic School, which has around 750 to 800 students.
4 These are approximate. I'm not absolutely certain,
5 but pretty close.
6 Burke Basic School has a 60,000 square foot campus
7 located in Mesa, on Southern and Center, or Pima.
8 And my sister operates Noah Webster, which is in
9 East Mesa, and she has, roughly, about 200 students there.
10 And she applied for a replication charter, which
11 was approved, for Noah Webster Pima, I think is the name of
12 the new one -- please forgive me for that -- which she is
13 planning on having another 1,000 there.
14 And, of course, the Happy Valley School is an end
15 result of the residents of the West Valley, the Valley
16 Northwest, who know of mother and father's reputation of
17 providing a high quality academic education experience for
18 children.
19 And on high average, it's usually in the 90s
20 percent range, most of the students that attend their schools
21 attend universities and are successful.
22 Happy Valley School, in particular, was founded by
23 my mother and father as well.
24 And I know this is not evidence, but in this
25 photograph here -- just show everyone here -- is a picture of

1 my parents and myself.
2 And we're standing at the beginning at the bare
3 ground, no building there, are three of the largest charter
4 schools here in our State, which is Sequoia, Happy Valley
5 School, and Noah Webster School, just along right there, just
6 to give you an idea.
7 In the 1990s, when charter school legislation was
8 being considered, many of the residents of the East Valley
9 came to my mother and father and asked them to get involved
10 and help pioneer it.
11 They played a great role in helping pioneer the
12 church school movement.
13 Specifically, a lot of people that supported and
14 voted for charter school legislation, in the East Valley
15 area, anyway, had hopes of bringing their private school
16 quality education into the public education arena.
17 To give an example of my mother's ability to
18 operate a charter school, Happy Valley School is presently
19 well known to be an A rated excelling school, and has
20 maintained that rating for almost 12 years, and also has
21 maintained an enrollment average of around 750 to 800
22 students. That's for 12 years.
23 We believe this fact alone gives us some
24 credibility to our abilities -- in our ability to operate a
25 charter school.

1 Another fact that should be considered is that
2 Happy Valley School is -- operates at about $1,600 less per
3 student than any school of an equivalent rating in the State
4 of Arizona.
5 That shows the efficiency of the management of this
6 school. And we still provide free bussing as well, and still
7 maintain that high academic achievement level.
8 Over the past 40 years, my mother and father have
9 educated approximately 20,000 students themselves.
10 Having said this, my mother and father were asked
11 by the people in the west side Valley, in the year 2000, to
12 provide their education program over on the west side.
13 So they did so. They opened Happy Valley School,
14 and they've operated it for 12 years.
15 However, the people in the East Valley, where
16 mother and father do live, and this is their home and where
17 they live.
18 And it's been a very long drive every day. Almost
19 two-hour drive a day transporting to and from Mesa to Peoria.
20 Mother and father have been called upon by the
21 people of the East Valley again to return home and open one
22 final school, which is John Hancock Academy.
23 It's named after the school they started back in
24 1970.
25 My father, presently, is teaching, even in his

1 70s. He's an excellent math teacher, and has been teaching
2 for well over 30, 40 years.
3 My wife is also an educator. She is a
4 paraprofessional at work.
5 So when I say my family is involved in education, I
6 mean literally everyone is involved.
7 My mother has asked me to file the corporate
8 articles and open this corporation by herself.
9 Kim, please help me on what document that is, where
10 it shows the forming of the corporation.
11 MS. ANDERSON: Begins on Exhibit L.
12 MR. GADDIE: L.
13 As you can see, on 241, she was the one that
14 actually opened the business herself. I was brought in
15 later, at a later date.
16 Do they have that amendment in here?
17 MS. ANDERSON: Page 242.
18 MR. GADDIE: 247?
19 MS. ANDERSON: 242.
20 MR. GADDIE: There's where I was brought in.
21 Does it have a date on that?
22 June 27th.
23 Mother asked me to help her open the school. I was
24 very reluctant to do so, but I decided to because I'm
25 probably one of the last children she has left not operating

1 a charter school.
2 Also, I want to make it known that, for me, this is
3 the last opportunity my mother and father -- the last effort
4 they will attempt to open the school. After that, it will be
5 over.
6 So we're not going to -- I won't push this any
7 further. I'm notifying everyone at this time.
8 It was hoped, and still is, by the people in the
9 East Valley, that if this school were to be successful, that
10 we would be able to dedicate a flagpole to mom and dad for
11 their 40-year contribution to education.
12 Some of the hundreds of people and friends and
13 families and some of the 20,000 students they taught over the
14 last 40 years, including Tom Horne, Superintendent John
15 Huppenthal and many others who are planning on attending
16 that, will celebrate and honor them there.
17 It was a personal honor for me to be asked to do
18 this.
19 So I'm here on her behalf, representing her.
20 Because she has just gotten out of the hospital, she couldn't
21 come here today. Otherwise, she would be here.
22 Our problem, however, is we were denied a charter.
23 To save some time here in this case, Your Honor, the reasons
24 the Board based their denial can all be narrowed down to five
25 issues.

1 In reference to Exhibit 12, 1 and 2, which is the
2 notice of denial document, or it would be FF in the State's
3 exhibits, or you can follow along in my exhibits.
4 I'm basing that opinion on this particular
5 document. That's the only reason why I said that.
6 Totaling them up, more explicitly stated the basis
7 on which they denied a charter, their claim that our program
8 of instruction did not describe how it would improve academic
9 achievement of the target population, and the issue of the
10 five writing curriculum templates, the issue of the two typo
11 revision errors, and the Board didn't like how we responded
12 to the Board's questions and the Tech Review Panel, and the
13 problem with my background.
14 That's how I've generalized these issues. I'm
15 going to address each of them presently, and make it very
16 simple so we can go on with our day.
17 And I'll do the best I can to get it done today.
18 Your Honor, our family is unique in that we educate
19 students using an ability grouping method.
20 Ability grouping enables us to be able to serve any
21 target population. Not only are we unique in this way, but
22 ability grouping provides an ability for our student whether
23 they're behind or ahead in education and in grade levels.
24 We don't have grades. We have forms.
25 Consequently, students are able to learn at the

1 rate they're able to, and they're able to be placed with
2 students that are at their level regardless of what age they
3 are.
4 This enables the students to achieve great
5 abilities and excel in their academic growth at great
6 amounts.
7 This is another issue which I'd like to raise.
8 Happy Valley has a very large growth rate in academic
9 achievement as well. It's because of ability grouping that
10 we do that.
11 Our particular teaching methods and styles is
12 unique because it's developed by my own family, my parents.
13 It's been perfected over the last 34 years. So therefore,
14 mother considers it intellectual property.
15 Even though it was argued with Kim, we'll call
16 attention to that later, we weren't aware of it at the time,
17 we feel that this particular teaching method is very
18 effective, and we've proven it over the past 12 years.
19 Another thing that is unique about our school is we
20 offer free bussing, no charge, which is not very popularly
21 done in charter schools because they're not compensated for
22 the bussing.
23 However, we offer it because we want the parents to
24 have the agency and freedom to do so.
25 We also don't believe that homework should

1 overwhelm these kids. You need to have time to be with your
2 families after school.
3 The parents need time with their families, and
4 their children. Therefore, we throw the load on the
5 teacher. It's our job to get the education done while
6 they're at school.
7 The other thing unique about our school and
8 education methods is we use mastery based instruction.
9 That means that no child can progress until they've
10 mastered the subject at hand.
11 That means that we review it and we provide
12 instruction in many different ways until we are certain and
13 they have tested out or assessed, they've demonstrated they
14 have that skill mastered.
15 Having said this, assuming if none of the five
16 issues were a concern, we assume that there would be no
17 reason for being denied a charter. If it's okay with you,
18 Your Honor, we'll proceed and address these.
19 First issue, the Board claimed the program of
20 instruction did not describe how it would improve the
21 academic achievement of the target population.
22 We believe, Your Honor, we did provide that in our
23 own way, whether it was understood or not.
24 We don't wish to challenge Steve, because he did a
25 wonderful job up here describing how they went over that

1 document.
2 But we believe, in Page 067, where it describes
3 ability grouping and mastery based instruction, that that was
4 a sufficient description of how we would serve that target
5 population.
6 Not only that, in regards to a question that was
7 asked to us at the Tech Review Panel meeting, what do we have
8 that the district schools that are A schools down there in
9 that particular target population doesn't have?
10 What do we have to offer them that they aren't
11 already receiving?
12 The answer to that is, again, we offer ability
13 grouping and higher education levels.
14 What I mean by that is, our students achieve,
15 usually, two grade levels a year. I can only say that my
16 life is a prime example of that.
17 It's necessary that I tell this to you.
18 In the 1960s, when I was attending a district
19 school, I was struggling in all subjects.
20 Mother went down to the school I was attending to
21 find a solution to the problem.
22 When she arrived, she looked in the classroom door
23 and found 60 students in my classroom, with two teachers
24 teaching different subjects at the same time.
25 MS. ANDERSON: Objection, Your Honor, relevance.

1 ADMINISTRATIVE LAW JUDGE: You want to explain how
2 this --
3 MR. GADDIE: I'm going to explain that because of
4 the education methods of instruction that my parents
5 provided, I was able to go through their school and
6 graduated from high school when I was 16 years old.
7 ADMINISTRATIVE LAW JUDGE: And that --
8 MR. GADDIE: And that's relevant because that shows
9 and proves we gained, usually, an average of two grade
10 levels per year in our academic achievement method of
11 instruction.
12 If it's not relevant, that's fine.
13 ADMINISTRATIVE LAW JUDGE: Really, so the parties
14 are aware, what I'm concerned with is the reasons for
15 the denial.
16 So you may want to focus on those.
17 MR. GADDIE: Okay.
18 From our perspective and our view, we felt we
19 explained how our program of instruction would improve the
20 academic achievement of the target population more than
21 sufficiently, and did provide very well -- very good
22 rationale for it, Your Honor.
23 Mother asked me to comment that no matter how this
24 application is laid out, or stated, our ability to answer the
25 question today, they have described here that her cookie

1 cutter or design for people who come in that are trained over
2 at the association isn't necessarily the only method of
3 instruction that is effective and good in our State, and also
4 doesn't measure our capacity and our ability to provide a
5 quality education in a charter school and operate a charter
6 school.
7 Having said that, move along to the next one.
8 According to Exhibit BCS008, the Board said that
9 the revised templates did not meet the criteria.
10 We have two arguments.
11 First, Your Honor, we argue that the person who
12 was -- my common core standards teacher in Phoenix, Ms. Linda
13 Malty, coauthored the writing templates with me, and she is
14 an expert in language arts, who the Arizona State Board of
15 Education contracted to train all the district
16 superintendents and principals, led teachers in curriculum
17 development of common core standards, and I asked her for
18 assistance to help align those standards, the templates to
19 the common core standards.
20 At the time we were doing this application, common
21 core standards weren't required by law to be effective yet.
22 They are now. But at that time, they were not. So we had to
23 do some new updating.
24 I brought with me a recording, which probably can't
25 be in evidence anyway, of her argument. She stood before the

1 Board and backed her work up.
2 She is an expert, and she argued the point these
3 were correct. She argued it.
4 Another issue I wish to address is a much different
5 situation.
6 After we submitted our revised templates, we found
7 it curious that Board staff claimed they did not receive some
8 of our revisions.
9 So I responded to the Board regarding this matter,
10 in State Exhibit BCS003, second paragraph -- third paragraph
11 down.
12 According to our computer log, those missing
13 revisions were in fact uploaded to the Board's website,
14 online, on the 18th of December, according to our records.
15 And despite every careful effort that was taken to
16 track a fault on our part, we have not determined a reason
17 for the Board not receiving them.
18 Due to the concern we have at hand, we humbly
19 request to please have the staff review the revisions we
20 submitted on December 18th.
21 Therefore, we don't wish to accuse or challenge the
22 Board at all on this issue.
23 We just felt that we submitted them and, evidently,
24 they all didn't get received; or, if they were received, they
25 weren't the ones that we submitted.

1 So I don't know what happened there.
2 So in regards to Exhibit 17 through 18.9, we'll
3 offer those. If a settlement agreement were to be ever
4 offered, we'll offer those as a revision. That's what those
5 are for.
6 They're not anything we are saying we submitted or
7 not submitted. We're just going to offer those in settlement
8 to resolve this issue.
9 ADMINISTRATIVE LAW JUDGE: I'm confused. What does
10 that mean?
11 MR. GADDIE: If an offer ever were to be for
12 settlement.
13 ADMINISTRATIVE LAW JUDGE: But you didn't settle
14 it.
15 MR. GADDIE: We haven't yet, no.
16 I put them in by mistake, Your Honor. My fault.
17 ADMINISTRATIVE LAW JUDGE: Okay.
18 MR. GADDIE: I didn't intend on them to be
19 evidence.
20 They're part of negotiating a settlement. That's
21 what they're for. It's my fault.
22 ADMINISTRATIVE LAW JUDGE: A previous settlement
23 negotiation?
24 MR. GADDIE: Through this hearing or maybe the year
25 after. Who knows? We're just going to offer it.

1 That's what I was planning on doing.
2 In case we ever negotiated a settlement during this
3 hearing or after, whatever.
4 ADMINISTRATIVE LAW JUDGE: You're not offering them
5 into evidence for my purposes?
6 MR. GADDIE: No.
7 ADMINISTRATIVE LAW JUDGE: Okay.
8 Now, the next issue I would like to raise is we do
9 admit we had two typo errors in our 346-page application
10 package.
11 One was the fact that in our bylaws, we stated that
12 we were a K through 8 school, which we are not. We're going
13 to be K through 6.
14 The second one was that we omitted a word "not"
15 when we described that we would not provide benefits to
16 part-time or hourly wage employees.
17 Those revisions, we are uncertain as to why they
18 didn't get received either. We're uncertain why they weren't
19 received by the Board.
20 Issue No. 4 deals with the issue of the Board not
21 liking how we performed in the oral meeting of the Tech
22 Review Panel.
23 I did not -- I attempted to put into evidence, but
24 evidently I put the wrong page in.
25 I was referring to a statement that Ms. DeAnna Rowe

1 made at the subcommittee meeting in Washington, D.C., in
2 2011, wherein she stated --
3 MS. ANDERSON: Objection, relevance.
4 ADMINISTRATIVE LAW JUDGE: You want to respond?
5 MR. GADDIE: Well, we argue that we had read that
6 particular statement before we went to this hearing.
7 The statement says that -- basically, that we're
8 under the understanding that the Board opens the files
9 and everything about our schools to the districts.
10 And we just felt that was something that we didn't
11 want to share with everyone because our program of
12 instruction isn't necessarily available.
13 I have learned since then, from Kim, that that's
14 not actually the truth.
15 At the time, when we walked into the Tech Review
16 Panel, we were very reluctant to give any more
17 information than our application provided. That was
18 mother and I's attitude at the time.
19 We would like to clarify that issue.
20 Another issue we would like to raise about the Tech
21 Review Panel meeting was that the Board scheduled that
22 meeting prior to us submitting our revisions.
23 We don't know why the Board did that, made that
24 schedule look like that, because it put us in a position
25 where we weren't prepared to provide the answers that were

1 necessary to give a good response because the curriculum
2 samples, for example, had not been aligned to common core
3 standards yet, and many other things. So we weren't
4 prepared.
5 Yet, the meeting was scheduled prior to our
6 revisions being done and the deadline for submitting them.
7 That should be considered in this as well.
8 Again, as I mentioned in Document 38, Page 38, the
9 Tech Review Panel asked us questions that clearly indicated
10 about the grades made mother and I feel they hadn't reviewed
11 our application.
12 Otherwise, they would have asked us about forms and
13 other things that we thought were pertinent to our
14 application.
15 So we didn't know how to respond to their questions
16 because of the way they were asked. We didn't know how to
17 give a proper answer because we don't have grades.
18 That's one of the things I wanted to bring out for
19 that.
20 We believe that the questions that we were asked
21 were the kind of questions which come from a cookie cutter
22 application format, adopted from an individual or entity from
23 Colorado, which are ineffective or unapplicable in our
24 school's case.
25 One thing, again, I would like to take note of is

1 it's now obvious -- I've already said that one.
2 No. 5 is, Reed Gaddie was unqualified in his past
3 performance when he operated previous schools
4 unsatisfactory.
5 I'd like to address that issue now.
6 Your Honor, in the year 1995, the family applied
7 for a charter at the State Board for Charter Schools, and we
8 were -- surprisingly enough, there was a Board member on the
9 Board that we knew quite well.
10 Evidently, we were denied.
11 And the application, at the time, was submitted --
12 I mean, one of the Board members at the time took that
13 application, photocopied it word for word --
14 MS. ANDERSON: Objection, relevance.
15 ADMINISTRATIVE LAW JUDGE: Do you want to say how
16 this is relevant?
17 MR. GADDIE: I'm trying to clarify history and
18 background of Reed Gaddie, career history.
19 In order to establish factual events and my career
20 background and my abilities and verifications,
21 qualifications and so forth and events of truth that
22 occurred.
23 But I don't need to have that. That's fine, Your
24 Honor.
25 ADMINISTRATIVE LAW JUDGE: Well, the concern that I

1 have is with the reasons for the denial in this
2 particular matter.
3 I don't believe the 1995 denial was listed as one
4 of those reasons. I believe it was a revocation in
5 March of 1998.
6 MR. GADDIE: All right. We'll stick with that
7 then.
8 In 1997, I had a great love for the youth and
9 belief of the youth of our State.
10 And by that time, I'd been in education quite a few
11 years, which I will he go through here shortly.
12 I'll address the issue of the events of what
13 happened at ACT first. And then we'll go on to my background
14 second.
15 I believe in youth. I believe that they can do
16 what I did.
17 I graduated from high school when I was 16 years
18 old, and I was valedictorian.
19 I've also accomplished many different disciplines
20 in my life. I'm a musician.
21 Also, I'm a master in relay logic and engineering,
22 and some other careers I've pursued and have great knowledge
23 in doing that because I was ahead.
24 I believe in doing the best you can. And I live by
25 the rule that always try to continue to do better. I was

1 hoping to share that with the youth as well.
2 Some of the parents who -- parents of the students
3 I was educating at that time approached me, that were coming
4 out of the 6th grade.
5 And they were saying: Reed, we would like you to
6 open a school for 7 through 12, but we would hike you to
7 offer them something more, something more about your
8 background that you're good at, which is offering them or
9 exploring them, having them learn what they want to do for a
10 living.
11 MS. ANDERSON: Objection, relevance.
12 ADMINISTRATIVE LAW JUDGE: Do you want to respond
13 or go on?
14 MR. GADDIE: It has to do with what happened at
15 ACT.
16 ADMINISTRATIVE LAW JUDGE: Okay. I'm going to
17 allow it. Go ahead.
18 MR. GADDIE: I took out a loan for $26,000 a month
19 payment and borrowed the money to build a junior high and
20 high school, which I called Arizona Career and Technology in
21 May of 1997.
22 I purchased the land. That was located at 8320
23 East Baseline Road, Mesa, Arizona. It was a five-acre
24 parcel, desert land.
25 At 4:30 the next morning, after we acquired the

1 funding -- and I knew I had almost four months only to get
2 the school built.
3 Because of my education background and my
4 experience of project managing multimillion dollar projects,
5 including construction of high-rise buildings here in
6 downtown Phoenix, I have perfectly aware and full capability
7 of building that school.
8 So we began construction. At that time the next
9 morning, I met the earth movers, heavy equipment operators.
10 At that time, about 35 or 40 vehicles, at about
11 4:30 in the morning, pulled up onto the lot. And I told them
12 to please leave, and they did not, refused.
13 As I walked closer to them, I discovered they were
14 students of that school, their fathers and grandfathers.
15 They told me: Reed, we know that you're here, that
16 you sacrificed for our children. We know that you have a
17 very short time period to get this school built, by the time
18 of school start date, and it's going to be very challenging
19 to get it built.
20 We have 30 years' experience here in construction.
21 We're here to help you and make sure you get it done. We are
22 not leaving. We are here to stay.
23 I cannot begin to describe that feeling at that
24 time, Your Honor, what that was like to see and observe the
25 youth of our State help construct their own school, which was

1 probably the first to be done in this nation. I'm not
2 certain. It certainly would be in the State.
3 For all the long summer days, from that late May
4 until the 2nd of September, those youth and their fathers,
5 grandfathers, myself, and many other individuals constructed
6 that school from the ground up.
7 That included 14 classrooms, kitchens,
8 administrative offices, sidewalks paved, parking lot,
9 football field, and buses parked in the driveway, fully
10 furnished computer lab, teachers hired, trained and ready to
11 go by September 2nd.
12 In Document 6.1 and 2, it was alleged that in the
13 hearing at Window Rock Unified School District that we
14 did not have building permits --
15 MS. ANDERSON: Objection, Your Honor.
16 Again, this goes to the issue that you ruled upon,
17 with regard to the motions, that the prior charter
18 school revocation cannot be relitigated, the basis for
19 that revocation cannot now be disputed.
20 This exhibit has -- quite a few of Applicant's
21 proposed exhibits go to that issue.
22 MR. GADDIE: We're not here to argue, Your Honor.
23 We're not here to dispute.
24 We're telling the typical fact with evidence. We
25 don't any more judgment made. We're not arguing

1 anything.
2 ADMINISTRATIVE LAW JUDGE: I can't -- evidence
3 regarding the underlying matter that's already been
4 litigated and findings have already been made won't --
5 aren't really necessary because those findings have
6 already been made as to that evidence.
7 MR. GADDIE: Okay. Will that be the same for the
8 rest of the evidence?
9 ADMINISTRATIVE LAW JUDGE: I'm not going to tell
10 you you can't testify.
11 But I just want you to understand that I can't have
12 you try to either argue or try to present evidence
13 that's contrary to what's already been adjudicated.
14 MR. GADDIE: All right, fine.
15 At any rate, we had school lunches, and 6.5 says we
16 had immunizations.
17 MS. ANDERSON: Objection, Your Honor, same basis
18 with regard to relevance and this proposed exhibit going
19 to the issue that you've already determined has been an
20 adjudicated.
21 ADMINISTRATIVE LAW JUDGE: Can you testify as to
22 anything that hasn't already been an adjudicated in that
23 1998 revocation?
24 MR. GADDIE: Can you restate that in a way I can
25 understand it?

1 ADMINISTRATIVE LAW JUDGE: The objection -- the
2 ongoing objection -- and I've already ruled on it -- is
3 that you can't try and relitigate or retry that issue,
4 the issue of the revocation in 1998.
5 All the evidence that led to that revocation has
6 already been considered by another hearing officer,
7 judge, or what have you at that particular time.
8 And those rulings, that revocation, is final
9 because it wasn't appealed.
10 So there's nothing -- I can't make any different
11 determinations.
12 No matter what you say, no matter what you give me
13 regarding that revocation, I can't change it.
14 Even if I disagreed with it, I could not change it.
15 MR. GADDIE: Understood.
16 ADMINISTRATIVE LAW JUDGE: It's not really relevant
17 or efficient for you to go through any of that
18 information when there's absolutely nothing I can do
19 about it.
20 MR. GADDIE: Understood.
21 Well, then I'll have to let -- that's unfortunate.
22 I thought I would have an opportunity to have a
23 fair hearing, impartial opportunity to offer the facts
24 of the events that happened.
25 I'm not here to argue the hearing didn't happen or

1 anything like that. I just wanted to state what
2 occurred with evidence.
3 ADMINISTRATIVE LAW JUDGE: Regarding the
4 revocation?
5 MR. GADDIE: What happened with our school.
6 That's why we've been denied a charter is because
7 of the operation -- the alleged allegations of what was
8 raised at the denial.
9 There's two sides to every story, and it wasn't
10 heard at the hearing.
11 ADMINISTRATIVE LAW JUDGE: But you already had a
12 hearing on it back in 1998, correct?
13 MR. GADDIE: No.
14 ADMINISTRATIVE LAW JUDGE: Ms. Anderson, there was
15 no hearing in 1998?
16 MR. GADDIE: No legal hearing.
17 MS. ANDERSON: There was a hearing, Your Honor, in
18 1998.
19 The Board's Exhibit V --
20 ADMINISTRATIVE LAW JUDGE: I'm sorry, V, as in
21 Victor?
22 MS. ANDERSON: V, as in Victor.
23 Requests that a hearing was held on March 19th and
24 20th, 1998.
25 ADMINISTRATIVE LAW JUDGE: Mr. Gaddie, were you at

1 that hearing?
2 MR. GADDIE: No. Part of it, I was; and part of
3 it, I was wasn't.
4 ADMINISTRATIVE LAW JUDGE: Okay.
5 Go ahead, Ms. Anderson.
6 MS. ANDERSON: It reflects there was a hearing
7 held.
8 It reflects that -- on Page 346, first paragraph,
9 fifth line down, that Mr. Gaddie entered the room,
10 approximately, 15 minutes after the hearing was
11 convened.
12 MR. GADDIE: That was one day, yes.
13 MS. ANDERSON: It reflects -- on Page 347, the
14 third line down -- the fourth line down represents
15 Mr. Gaddie in fact introduced information.
16 And that he -- further down in that paragraph, he
17 stipulated to receiving affidavits in lieu of personal
18 appearances of various district witnesses, stipulated to
19 admission of additional affidavits.
20 The record reflects that he was present, and he in
21 fact participated in the hearing.
22 ADMINISTRATIVE LAW JUDGE: Mr. Gaddie, I'm just not
23 quite sure why you're saying there was no hearing.
24 MR. GADDIE: Because I was given counsel by my
25 attorneys that that entire hearing was not going to be.

1 ADMINISTRATIVE LAW JUDGE: That is something you're
2 going to have to take up with those attorneys.
3 Obviously, that was a long time ago, but it hasn't
4 been appealed. It's still a final order.
5 I'm going to let you testify and provide evidence,
6 but not as to the evidence that was already heard by
7 another adjudicator or tribunal.
8 MR. GADDIE: Your Honor, the evidence that I'm
9 introducing here wasn't even heard or seen by that
10 officer.
11 ADMINISTRATIVE LAW JUDGE: But if it has to do with
12 this particular revocation, there's nothing I can do
13 about it. It's done.
14 MR. GADDIE: Understood.
15 ADMINISTRATIVE LAW JUDGE: All right.
16 MR. GADDIE: Am I allowed to tell what happened or
17 not?
18 ADMINISTRATIVE LAW JUDGE: I don't know exactly
19 what you're going to say.
20 I guess, I can let you testify. And then if
21 there's any objection, we'll take it from there.
22 But understand, if you're going to try and go back
23 and say this didn't happen, that didn't happen, I was in
24 compliance, I never should have been revoked, it was
25 somebody else's fault, if it has anything to do with

1 what happened regarding this revocation, I'm not going
2 to be able to hear that.
3 It's not something that's going to be relevant
4 because I can't make different findings.
5 MR. GADDIE: Okay.
6 Well, it's the view and our entire argument here is
7 that this whole revocation hearing was not legal and
8 actually, in itself, was fraudulent in the first place.
9 ADMINISTRATIVE LAW JUDGE: What was fraudulent?
10 MR. GADDIE: The revocation hearing itself.
11 And involved corruption and abuse of power in the
12 sponsorship of charter schools at the time.
13 One of the Board members at the Board meeting even
14 commented on it. I have a recording of that with me as
15 well.
16 I don't know if that would be allowed as evidence
17 either.
18 At the time, we were exploring -- a lot of
19 exploring, charter legislation was going on.
20 I think it would be my opinion and what I was
21 hoping to accomplish was to lay down that there's two
22 sides to every story.
23 You know their side.
24 I just wanted to lay down the facts with the
25 evidence of what happened.

1 I don't even really care how everybody decides. I
2 just wanted to tell the story and be done.
3 MS. ANDERSON: Your Honor, it's the Board's
4 position that the time to provide his side of the story
5 was at the time of the hearing, in March of --
6 MR. GADDIE: However, the --
7 ADMINISTRATIVE LAW JUDGE: Excuse me.
8 Mr. Gaddie, just let her finish, and then I'll let
9 you respond.
10 MS. ANDERSON: In March of 1998, there was hearing,
11 Mr. Gaddie was present, there were witnesses and
12 testimony, and that was a time at which he had the
13 opportunity to provide witnesses and evidence regarding
14 his position.
15 ADMINISTRATIVE LAW JUDGE: What did you want to
16 say, Mr. Gaddie?
17 MR. GADDIE: No. 1, I was not in the capacity to
18 provide the evidence at the hearing in the first place.
19 Secondly, the hearing was a two-day hearing, and I
20 wasn't there for the second day.
21 ADMINISTRATIVE LAW JUDGE: I generally don't like
22 to speak so much at a hearing. I like to hear from the
23 parties themselves.
24 But I'm being put in the position to have to keep
25 reiterating the same thing, and I don't want to sound

1 like a broken record. I apologize if I'm not being
2 clear.
3 You don't get a second bite at the apple here.
4 This is not a redo.
5 Whatever happened -- I was not there in 1998, but
6 there was a hearing, the matter was an adjudicated, you
7 did appear, and you had an opportunity to be heard
8 then.
9 Your opportunity to be heard now is in regards to
10 this particular charter application and denial, not the
11 one in 1998.
12 MR. GADDIE: The denial is based on the hearing.
13 The hearing wasn't legal, in our opinion.
14 And it was argued -- that fact was argued by three
15 separate attorneys.
16 ADMINISTRATIVE LAW JUDGE: That's something you're
17 going to have to take up with them.
18 MR. GADDIE: Okay.
19 So all I know is, I think it's very, very fair, in
20 my opinion -- if I'm going to be judged on what
21 happened, I think all the facts and both sides of the
22 story ought to be heard, that's all.
23 There's two sides to every story, Your Honor. That
24 would be fair, in my opinion. That's why I came here
25 today, to hear the facts, fair and impartial.

1 I only wanted to lay down the facts the way they
2 are in evidence. Not to weigh anybody's opinions. I
3 just want to lay down the facts, and then I'm done
4 today.
5 ADMINISTRATIVE LAW JUDGE: What I'm going to do is
6 I'm going to take about a 10-minute recess. I'm going
7 to let you gather some thoughts.
8 If there is anything else that you want to testify
9 about, anything else you want to present that doesn't
10 have to do with the revocation and the facts underlying
11 that revocation, I will certainly give you an
12 opportunity to present that.
13 If all you're going to attempt to do is relitigate
14 the underlying revocation because you feel that the 1998
15 hearing was unfair, or whatever you feel about that
16 hearing, that's not something I can hear today.
17 MR. GADDIE: I understand.
18 ADMINISTRATIVE LAW JUDGE: It's not appropriate for
19 this forum, it's outside the scope of the hearing, and I
20 don't have any jurisdiction over that matter.
21 MR. GADDIE: Okay, understood.
22 ADMINISTRATIVE LAW JUDGE: Okay.
23 So let's take about 10 minutes. And we'll come
24 back in, and we'll pick up where we left off. All
25 right.

1 So we're off the record.
2 (Brief recess at 2:15 p.m.)
3 ADMINISTRATIVE LAW JUDGE: Back on the record.
4 It's 2:45 p.m.
5 MR. GADDIE: My assumption is the parents' comments
6 on ACT won't be allowed?
7 ADMINISTRATIVE LAW JUDGE: I'm sorry, what?
8 MR. GADDIE: The parents' comments about ACT, will
9 that be allowed?
10 ADMINISTRATIVE LAW JUDGE: I don't know what you're
11 referring to.
12 MR. GADDIE: What the parents thought of the
13 school.
14 ADMINISTRATIVE LAW JUDGE: Are you referring to a
15 specific exhibit?
16 MR. GADDIE: It's not to argue or litigate
17 anything.
18 What good did we accomplish at ACT, that's all.
19 ADMINISTRATIVE LAW JUDGE: Is it in one of your
20 exhibits?
21 MR. GADDIE: Yes. It's Exhibit 7.
22 ADMINISTRATIVE LAW JUDGE: Okay.
23 MR. GADDIE: Has nothing to do with the revocation.
24 ADMINISTRATIVE LAW JUDGE: Okay. Go right ahead.
25 MR. GADDIE: I'm not allowed to read these

1 documents?
2 ADMINISTRATIVE LAW JUDGE: You can certainly
3 summarize them.
4 MR. GADDIE: Okay.
5 Some of the things we did accomplish at ACT was to
6 help students explore careers early in their secondary
7 education.
8 Students who achieved high marks on their scores
9 and were ahead in class were given a document that had to be
10 signed by the parents, and then signed by the teacher that
11 verified that.
12 Then they were given an opportunity once or twice a
13 month to attend what we called career exploring classes that
14 Mr. Gaddie had set up, myself.
15 What this involved is the students were given the
16 opportunity to be bussed off campus with a bus driver, and
17 supervised by a bus driver, and brought back on campus by a
18 bus driver.
19 They were given an opportunity to go out and
20 explore what it's like to be in an adult's working
21 environment.
22 They observed and participated in career exploring
23 activities.
24 One of them being Doris Company, where five
25 students were selected, spent four hours each on separate

1 days, to work beside our staff members.
2 Some were filing, copying, and data entry, and
3 correspondence. Program sure proved effective in helping
4 students gain on-job training in an office environment.
5 On 7.2, the Arizona Department of Transportation
6 got involved and very interested in our activities.
7 They expressed it in a letter, dated the 14th of
8 January of 1998.
9 The Arizona Department of Transportation is
10 interested in seeking the alliance of ACT to explore the
11 arena of student interns in the highway construction
12 maintenance career fields.
13 There is a parent letter that comments on this
14 later. They thought the campus was really good, and an
15 excellent opportunity for them to open up the two-plus-two
16 program.
17 I'd like to also make it known, on 7.3, ACT was to
18 be the first charter school in the State of Arizona to be
19 coexist and co-operate with a university on the same campus.
20 They had an interest in occupying a campus with us,
21 where we were going to offer honor's level and AP courses for
22 those kids going to the university. This was their letter of
23 interest in that as well.
24 That occurred on December the 4th. That would have
25 been implemented one week before we closed our doors.

1 I think the other letters and the one following
2 cover pretty much anything the parents had to say. I'd like
3 to comment on a couple paragraphs there.
4 January 21st was the education of the State of
5 Arizona, the day Arizona Career Technology School closed.
6 The school was salvation for many students. Not
7 every person in this world is an academic genius.
8 The school not only would have benefited the
9 students who are, but would have served even better those who
10 are not.
11 Perhaps, the people should have taken a little more
12 interest in what was happening.
13 ACT gave all students a chance at life. Not as
14 someone on welfare, but someone who could be an asset to
15 society.
16 Public schools are not uniting academics with
17 industry. However, ACT was accomplishing this in a very
18 successful manner.
19 If they could continue, ACT students would be able
20 to support themselves, a family after high school, and pay
21 their way through college.
22 What is wrong with this concept? I personally
23 believe it's a good one. It seems in today's world, if
24 something comes along to help the young people better
25 themselves, it must be bad.

1 There's a lot of student pride at this school
2 and --
3 MS. ANDERSON: Objection, Your Honor. This exhibit
4 hasn't been offered into evidence yet.
5 In any event, it is -- there's not a need for
6 Mr. Gaddie to read from the letter. If it is admitted
7 into evidence, the letter will speak for itself.
8 ADMINISTRATIVE LAW JUDGE: Mr. Gaddie, do you wish
9 to move these letters into evidence?
10 MR. GADDIE: We'll skip the letters then.
11 ADMINISTRATIVE LAW JUDGE: I'm asking: Do you want
12 them moved into evidence?
13 MR. GADDIE: Absolutely.
14 ADMINISTRATIVE LAW JUDGE: Do you have any
15 objection?
16 MS. ANDERSON: I think, sounds like, we're talking
17 about 7.1, 7.2, 7.3, 7.4, 7.5.
18 MR. GADDIE: And 6.
19 MS. ANDERSON: 7.6.
20 ADMINISTRATIVE LAW JUDGE: I think it goes through
21 7.7.
22 MR. GADDIE: Yes.
23 MS. ANDERSON: Okay. It's the Board's position
24 that the objection is on the basis of relevance.
25 ADMINISTRATIVE LAW JUDGE: Okay.

1 Do you want to respond?
2 MR. GADDIE: Yeah.
3 I think it has nothing to do with the hearing, and
4 it does reflect what good was accomplished at ACT and
5 what my capabilities are.
6 Since the charter was denied on that basis, I think
7 it should be allowed into evidence.
8 ADMINISTRATIVE LAW JUDGE: I am going to allow the
9 letters into evidence, and I will give them the weight
10 that I deem appropriate.
11 And obviously your objection is noted for the
12 record.
13 MR. GADDIE: Thank you, Your Honor.
14 (Applicant's Exhibit Nos. 7.1 through 7.7 were
15 admitted.)
16 MR. GADDIE: Now I'd like to go on to Exhibit --
17 I'm not going to bring it up, Exhibit 8, because it's
18 not going to be allowed into evidence anyway.
19 It's your legal arguments and letters that were
20 sent -- letter that was sent to Window Rock, by Esquire
21 Miles, Gregory Miles, on March 6, 1998.
22 And also the lawsuit, Exhibit 9, that was filed
23 with the Maricopa County Superior Court, argued by
24 Esquire J. Stanley Martineau, in regards to the unlawful
25 and fraudulent way in which Window Rock conducted an

1 alleged fraudulent hearing. I'll leave that where it
2 is.
3 ADMINISTRATIVE LAW JUDGE: Okay.
4 MR. GADDIE: Let's go on now to Exhibit 4, my
5 background, which certainly should be relevant, wouldn't
6 it?
7 Since that was one of the reasons why, I would
8 think my background would be allowed to come in here.
9 It's not necessary for me to cover 4.3 through 4.5
10 because they've already been admitted into evidence.
11 We don't need to mention those again, if it's all
12 right with you, Your Honor.
13 ADMINISTRATIVE LAW JUDGE: Let me make sure I get
14 to the beginning of Exhibit 4.
15 Okay. So I'm at 4.1.
16 MR. GADDIE: 4.1 and 2 is kind of like a profile.
17 4.3 through 4.5 are not necessary becasue they're
18 already in evidence in State's evidence.
19 ADMINISTRATIVE LAW JUDGE: Okay.
20 MS. ANDERSON: Your Honor, in terms of 4.1 and 4.2,
21 the parties stiuplated to the admission of 4.1 and 4.2.
22 MR. GADDIE: Yeah, 4.1 and 2 is also in evidence
23 already.
24 MS. ANDERSON: Also, the parties stipulated to the
25 admission of 4.6.

1 MR. GADDIE: Did we stipulate to that one?
2 MS. ANDERSON: Yes.
3 MR. GADDIE: Was there any other ones?
4 MS. ANDERSON: With regard to 4.7 through 4.10,
5 it's the Board's position this is duplicative of the
6 information that's contained in Board's L3, at Page 257,
7 Footnote 3, which discusses these particular
8 certificates, and Mr. Gaddie's possession of those
9 particular certificates.
10 ADMINISTRATIVE LAW JUDGE: Okay.
11 MR. GADDIE: That's fine.
12 ADMINISTRATIVE LAW JUDGE: Well, since it's
13 duplicative, it really doesn't matter if I admit them or
14 not.
15 So I can admit them.
16 MS. ANDERSON: For clarification, that will be 4.7,
17 4.8, 4.9, 4.10.
18 ADMINISTRATIVE LAW JUDGE: Okay. Yes.
19 (Applicant's Exhibit Nos. 4.7, 4.8, 4.9, and 4.10
20 were admitted.)
21 MR. GADDIE: Your Honor, on 4.11 and 12, I made
22 some mistakes again on the listing and submitting of the
23 evidence here on the numbering. It is my apologies. I
24 did that.
25 Somewhere in the photocopying and writing of the

1 lists, I got mixed up myself. So I apologize for that,
2 Your Honor.
3 These three letters here, I have them numbered
4 4.11, 4.12 and 4.12, which is the same number but two
5 separate documents.
6 They're not on the list either. That's what gets
7 me. They're definitely in there now.
8 They're, basically, letters from three separate
9 teachers that used to work for me while I was training
10 director.
11 That reflects my abilities to be an administrator
12 and school leader, and my experience in doing that, and
13 my performance and abilities to -- under educational
14 abilities.
15 I think it does reflect and should be allowed as
16 evidence, Your Honor.
17 ADMINISTRATIVE LAW JUDGE: For clarification, I'm
18 going to remark the second 4.12, from Dan Gillespie, as
19 4.12-A.
20 And I will ask Ms. Anderson if there is any
21 objection to 4.11, 4.12, or 4.12-A.
22 MS. ANDERSON: Your Honor, with regard to 4.11 and
23 4.12, the Board has no objection.
24 With regard to 4.12-A, there is no -- objection,
25 lack of foundation.

1 There's no date indicating when this was prepared.
2 ADMINISTRATIVE LAW JUDGE: Can you speak to that?
3 Do you happen to recall?
4 MR. GADDIE: No date on which one?
5 ADMINISTRATIVE LAW JUDGE: Mr. Gillespie's letter.
6 MR. GADDIE: I would imagine it was the same time
7 period.
8 ADMINISTRATIVE LAW JUDGE: 1991?
9 MR. GADDIE: Yes. I would say it's around that
10 same time.
11 ADMINISTRATIVE LAW JUDGE: With that clarification,
12 I will admit 4.11 to 4.12-A.
13 (Applicant's Exhibit Nos. 4.11, 4.12, and 4.12-A
14 were admitted.)
15 MR. GADDIE: 4.13 is not relevant, with the
16 exception of just a shot of what the building and school
17 looked like at the time.
18 That's all it was here for. You can admit it into
19 evidence or not.
20 I think 14 is relevant as well. It goes along with
21 the same as the other three.
22 This one here is from my supervisor at that time,
23 and a description of how I performed at that school in
24 that position as training director.
25 ADMINISTRATIVE LAW JUDGE: Any objection to 4.14?

1 MS. ANDERSON: No, Your Honor, no objection.
2 ADMINISTRATIVE LAW JUDGE: Okay.
3 4.14 is admitted.
4 (Applicant's Exhibit No. 4.14 was admitted.)
5 MR. GADDIE: 4.15 is a document that verifies that
6 the facility -- or, the school that I was training
7 director at was accredited through NATTS, which is
8 National Association of Trade and Technical Schools.
9 It was accredited, and also a member of the Arizona
10 Charter School Association.
11 Any objection, Kim?
12 ADMINISTRATIVE LAW JUDGE: Is that 4.15 and 16?
13 MR. GADDIE: 4.15 only.
14 ADMINISTRATIVE LAW JUDGE: Okay.
15 MR. GADDIE: 4.16 is a letter I received from
16 NATTS, which is the accrediting agency of the school for
17 national.
18 My staff -- with me being training director, I had
19 all my staff, all of my teachers, participate in
20 professional development, in CBSD courses, or modules,
21 that they were offering, which certified the teachers,
22 and education and training and teaching of students, and
23 also in curriculum development.
24 ADMINISTRATIVE LAW JUDGE: Any objection to 4.15 or
25 4.16?

1 MR. GADDIE: And then, of course, the
2 certification --
3 ADMINISTRATIVE LAW JUDGE: Let's let
4 Ms. Anderson --
5 MR. GADDIE: I'm sorry.
6 ADMINISTRATIVE LAW JUDGE: That's okay.
7 MS. ANDERSON: Well, Your Honor, my objection is
8 based on the relevance of this to the issues identified
9 in the notice.
10 ADMINISTRATIVE LAW JUDGE: Are you just giving this
11 as your background?
12 MR. GADDIE: Absolutely.
13 I argue the fact that the charter was denied based
14 on my background. So therefore, I was unqualified.
15 So I'm just trying to establish I am qualified.
16 That's all.
17 ADMINISTRATIVE LAW JUDGE: I'm going to allow 4.15
18 and 4.16.
19 (Applicant's Exhibit Nos. 14.5 and 14.6 were
20 admitted.)
21 MR. GADDIE: Thank you, Your Honor.
22 14.17 is the certificate which goes with the letter
23 previous to that.
24 ADMINISTRATIVE LAW JUDGE: This goes hand-in-hand
25 with 4.16?

1 MR. GADDIE: That's correct.
2 ADMINISTRATIVE LAW JUDGE: Any objection to that?
3 MS. ANDERSON: Since you already admitted 4.16, no
4 objection.
5 ADMINISTRATIVE LAW JUDGE: They seem to go
6 together. So I'm going to admit 14.17 as well.
7 (Applicant's Exhibit No. 14.17 was admitted.)
8 ADMINISTRATIVE LAW JUDGE: Go ahead.
9 MR. GADDIE: 4.18 is a news clip of the Tech Talk,
10 which is a school kind of like newspaper, which took a
11 photo of the visiting teen from NATTS that came to the
12 school and scored as high on our courses and our
13 achievements that we were accomplishing at the time.
14 And also reflects my abilities as a school leader
15 and what I accomplished there at the time.
16 ADMINISTRATIVE LAW JUDGE: Let's see if there is
17 any objection to 4.18.
18 MS. ANDERSON: Your Honor, we object to 4.18 on the
19 grounds of hearsay.
20 Also, I fail to see how it's relevant. I don't see
21 where it particularly mentions Mr. Gaddie's association
22 with this visit.
23 MR. GADDIE: I'll counter her.
24 On the fourth paragraph, it says: Mr. Charles
25 Cobbler, air-conditioning specialty, from Bennett's

1 Refrigeration Services, California Express, from that
2 paragraph all the way down to the end reflects my
3 department's score that NATTS gave of their review of
4 our courses, our teaching methods, and what they thought
5 of what our school is doing.
6 They're the accrediting agency. I think that would
7 be relevant in my opinion.
8 It's not hearsay. It's a photograph, and it's what
9 they said.
10 ADMINISTRATIVE LAW JUDGE: Hearsay is admissible in
11 these proceedings.
12 I will admit 4.18, obviously, with the objection
13 noted.
14 (Applicant's Exhibit No. 4.18 was admitted.)
15 MR. GADDIE: 4.19 is the educator of the year,
16 Arizona prep school award.
17 This, for some reason, Your Honor -- I don't know
18 how it got mixed up. This was awarded to my mother.
19 I don't know if it goes here or not.
20 MS. ANDERSON: Your Honor, the parties stipulated
21 to the admission of 4.19.
22 ADMINISTRATIVE LAW JUDGE: Okay. 4.19 is already
23 admitted.
24 MR. GADDIE: 4.20 and 4.21 go together. They're a
25 matched pair.

1 I'd like to bring your attention, Your Honor, that
2 the Arizona State Board for Private School Education
3 addressed a letter to me, as training director.
4 I submitted an entire course -- degree course of
5 curriculum to the Board. They reviewed it. And upon
6 their completion of reviewing that curriculum, they
7 provided me this letter.
8 They verified they approved that course that I
9 wrote, and provided me a supplemental license to offer
10 an associate's degree in that field.
11 And the 4.21 is verification of that as well.
12 ADMINISTRATIVE LAW JUDGE: And 4.22 is the --
13 MR. GADDIE: 4.22 is the end result of how the
14 industry responded to that particular course.
15 In other words, the industry -- I saw there was a
16 need in the industry, and I met the need of that
17 industry.
18 4.22 and specifically 23 and 24 are all indications
19 that we hit national news with this course.
20 It met the needs of industry, specifically in heavy
21 industrial high-rise building and multitonnage, heavy
22 equipment tonnage, cooling and heating equipment
23 service, and teardown, and rebuilding.
24 ADMINISTRATIVE LAW JUDGE: Is that also having to
25 do with 4.25?

1 MR. GADDIE: 4.25 is a little bit different.
2 ADMINISTRATIVE LAW JUDGE: Okay. So let's talk
3 about 4.20 through 4.24.
4 Any objection?
5 MS. ANDERSON: The Board does not object to the
6 admission of 4.20 and 4.21.
7 With regard to Exhibit 4.22, I think my objection
8 goes to the weight of the evidence.
9 This is not an independent publication, but
10 actually is a publication of Mountain State Institute
11 that is talking about its own programs.
12 MR. GADDIE: That's fine, but 23 and 24 are not.
13 ADMINISTRATIVE LAW JUDGE: Okay.
14 I will admit 4.20 through 4.24, with the one
15 objection noted.
16 (Applicant's Exhibit Nos. 4.20, 4.21, 4.22, 4.23,
17 and 4.24 were admitted.)
18 MR. GADDIE: It's been my experience, Your Honor,
19 that when you -- in postsecondary education, when
20 you -- I'd just like to say that my team and I, over a
21 10-year period of time, were responsible for the
22 education and training and placement of approximately
23 3,800 graduates in full-time positions, high paying
24 jobs.
25 How I measure my ability as a school leader and how

1 I serve the State in that capacity, I gauge it on how my
2 students perform their duties to their employers or to
3 their customers.
4 So having said that, 4.25, 4.26 is just me giving a
5 couple phase awards to my students.
6 I'd like point out that those students there are
7 three full-time apprentices registered with the
8 Department of Ken Op Security, meaning union.
9 4.27 reflects, again, a shot of me giving awards to
10 my students.
11 And then 4.28 gives an idea -- I didn't put that in
12 there for any other reason than the fact it reflects an
13 idea of what it was like at the graduations of the
14 school.
15 At that particular one, I received a standing
16 ovation from the staff faculty and my graduates for
17 placing them all in high paying jobs and careers.
18 I didn't accept that until after my faculty was
19 given the recognition. I prefer not to praise myself.
20 I prefer to give credit to the team and the students.
21 You want to stop there, Kim?
22 ADMINISTRATIVE LAW JUDGE: You want to go through
23 4.25 through 4.28?
24 MR. GADDIE: Yes.
25 MS. ANDERSON: Your Honor, I object based on the

1 relevance of the information.
2 In particular, the relevance of photographs in 4.26
3 reflect showing Mr. Gaddie handing awards to students.
4 As well as the same objection for 4.27, which he
5 indicated the purpose of this exhibit is the photograph
6 at the bottom indicating he was handing an award to a
7 student.
8 Also, the same objection to 4.28.
9 ADMINISTRATIVE LAW JUDGE: Do you want to respond?
10 MR. GADDIE: Again, Your Honor, the charter was
11 denied on the basis I was not qualified.
12 And the photo image and the documents do show
13 experience in educating people.
14 ADMINISTRATIVE LAW JUDGE: I'm going to admit them
15 and give them the weight I deem appropriate, with the
16 objection noted for the record.
17 MR. GADDIE: Thank you, Your Honor.
18 (Applicant's Exhibit Nos. 4.25, 4.26, 4.27 and 4.28
19 were admitted.)
20 MR. GADDIE: I have two more of those, 4.29, 4.30.
21 One is a letter from an employer of a graduate of
22 our school who sent us a letter complimenting how our
23 student was performing their duties and how well we
24 taught them.
25 I think that reflects the quality of education we

1 were providing for our students under my leadership and
2 my team.
3 And 4.30 is another example of that, same thing.
4 ADMINISTRATIVE LAW JUDGE: With regard to 4.29 and
5 4.30?
6 MS. ANDERSON: Your Honor, the letter that is 4.29,
7 I object based on relevance. Moreover, it's a letter
8 addressed to a Mr. Best.
9 ADMINISTRATIVE LAW JUDGE: Who is Mr. Best?
10 MR. GADDIE: Mr. Best was our placement director.
11 He was the one who got them jobs.
12 However, the letter itself again reflects the end
13 result of our work and the department.
14 ADMINISTRATIVE LAW JUDGE: All right. Again, I'll
15 admit 4.29 and 4.30, and I'll give them the weight that
16 I deem appropriate.
17 (Applicant's Exhibit Nos. 4.29 and 4.30 were
18 admitted.)
19 MR. GADDIE: For the sake of Kim, I'll agree to
20 let's dismiss 4.31. Just a photo shot of a graduation
21 is all it was. Not too relevant.
22 We'll go to -- wait a minute. Maybe I've got them
23 messed up here.
24 4.32 is what I've got here, the one from Arizona
25 State University.

1 ADMINISTRATIVE LAW JUDGE: You've got two of them
2 marked as -- actually, no, you're good. Go ahead.
3 MR. GADDIE: Okay.
4 4.32, this is a document which verifies that
5 Arizona State University recognizes my talents in
6 developing education courses, in this particular case,
7 stationary engineering, at Central Planet, ASU.
8 So I went over there, and that involved the
9 cooperation of three separate government entities had to
10 pick up this course, had to satisfy the requirements of
11 three separate governing entities.
12 It was really challenging, but we were successful.
13 This is their letter for my work for them, which gives
14 another example of my qualifications to develop courses,
15 even for ASU.
16 ADMINISTRATIVE LAW JUDGE: Any objection to 4.32?
17 MS. ANDERSON: No, Your Honor.
18 ADMINISTRATIVE LAW JUDGE: 4.32 is admitted.
19 (Applicant's Exhibit No. 4.32 was admitted.)
20 MR. GADDIE: I move that we can take out Exhibit
21 3.1 through 3.3, because those are already in State's
22 exhibits.
23 I would like to comment on them only.
24 ADMINISTRATIVE LAW JUDGE: Okay.
25 MR. GADDIE: I don't know what the number of 3.1 is

1 in State's exhibits.
2 It has to do with my mother's background. That's
3 what I'm going to cover now.
4 The charter application introduces mother as
5 corporate principal, director and officer, secretary,
6 treasurer of John Hancock Academy, Incorporated.
7 She is now a direct representative of John Hancock
8 Academy.
9 It goes ahead and describes her involvement in John
10 Hancock Academy, and what her skills are, and her 35
11 years' experience in school administration, and 12 years
12 experience in charter school administration, in top
13 organizational positions.
14 She's been involved in almost all aspects of
15 charter school administration.
16 This was submitted as information in the charter
17 application.
18 We argue, Your Honor, this information was not
19 provided to the Board for consideration when they made a
20 ruling.
21 MS. ANDERSON: Objection, Your Honor, the facts in
22 evidence through Mr. Sarmento, in response to the same
23 question from Mr. Reed, was that yes, this page and this
24 section was in fact part of the Board's portfolio that
25 was provided to them for consideration of the

1 application of the Applicant.
2 ADMINISTRATIVE LAW JUDGE: Okay.
3 MR. GADDIE: We counter-argue that is in the staff
4 report.
5 Steve, do you know what page number that was, staff
6 report?
7 Staff report was B006 through 15.
8 Here we go.
9 In regards BCS, Page 10, in comparison with -- I
10 don't know what the page number is, 3.1, that I'm
11 throwing up here, introducing mom's background, is
12 somewhere in the evidence here.
13 ADMINISTRATIVE LAW JUDGE: You're referring to
14 3.1?
15 MR. GADDIE: Yes.
16 In comparing Page 10 with 3.1, we do not agree that
17 mother's background is fully covered or described in
18 that small section there showing mother's background,
19 authorized in charter's principles, background
20 information, on page 10 there.
21 We think that's very, very extremely minimal and
22 does not describe her entire abilities nor any of her
23 capabilities or her accomplishments or most of her
24 background, with the exception of her charter school
25 administration.

1 It is very, very limited information compared to
2 what was submitted.
3 That's all I have to comment on that.
4 So we feel that limited the Board's ability to make
5 a good judgment and good perception of what exactly --
6 whether the charter application was deemed capable of
7 operating a charter school or not. I think that would
8 be very relevant.
9 Same thing of 3.3. The upper section only; not my
10 section. Down there, where it says my name downward.
11 Just begin at 1970 all the way down through '78.
12 None of that was mentioned also on Page 10, which is
13 relevant because the name of the charter school is named
14 after that particular school.
15 MS. ANDERSON: Your Honor, just for clarification,
16 the Applicant referred to Exhibits 3.1, 3.2 and 3.3 are
17 already contained in the Board's Exhibit L3, at Pages
18 254 to 256.
19 MR. GADDIE: Okay.
20 Is 3.4 257?
21 MS. ANDERSON: No.
22 Exhibit 3.4 was stipulated to by the parties.
23 MR. GADDIE: Okay.
24 3.5, the purpose of the exhibit, these four images,
25 Your Honor, is to give -- to establish the fact that my

1 mother was involved with the founding -- or, in the
2 start-up of Sequoia, Noah Webster, ACT, Happy Valley
3 School, the Burke Basic School, and the Webster
4 Schools.
5 These are construction images of those particular
6 schools. We're trying to establish that fact. This is
7 pure shot.
8 3.6, by the way, if I may state, specifically, is a
9 photo image of the entire family. Myself on the left,
10 very bad picture of me, that was ACT. Happy Valley, my
11 mother and father, 2000. And Noah Webster is my sister
12 Kelly. And my brother, Burke Basic, and Happy Valley
13 East, and all of us in Sequoia.
14 I want you to know we're a whole family of charter
15 school operators. That's the only reason that's there.
16 I don't know if that's admissible in evidence, but
17 I just want to make sure that fact is known.
18 ADMINISTRATIVE LAW JUDGE: You're talking about
19 Exhibits 3.5 through --
20 MR. GADDIE: Yes, 3.6 through 3.7, 8 and 9.
21 These are just construction photos of the schools
22 we started up.
23 MS. ANDERSON: Your Honor, with regard to 3.5,
24 which is my understanding that it is -- as indicated in
25 the list, it is described as the construction of Sequoia

1 School, the Board is objecting on the basis of
2 relevance.
3 Mr. Gaddie previously testified that Sequoia was
4 not a school started by his mother or his family; it was
5 started by a Charter Board member.
6 With regard to 3.6 through 3.9, as well as 3.10
7 through 3.12, these are photos and articles regarding
8 Noah Webster, the Board would object on the basis of
9 relevance.
10 The Board's Exhibit L3, on Page 255, in the bottom
11 footnote, the Applicant, in its application, noted that
12 other immediate members of the Gaddie family started and
13 operated Noah Webster School, but Delite Gaddie does not
14 have any participation in that school.
15 MR. GADDIE: Objection, we don't agree with that
16 statement.
17 MS. ANDERSON: Your Honor, that was the Applicant's
18 statement in that footnote.
19 ADMINISTRATIVE LAW JUDGE: What are you looking at,
20 exactly?
21 MS. ANDERSON: I'm looking at the Board's Exhibit
22 L, which is Page 255, at the bottom.
23 ADMINISTRATIVE LAW JUDGE: Okay. Let's all get
24 there.
25 MS. ANDERSON: This section is the application that

1 was submitted by John Hancock.
2 John Hancock stated, on Page 255, in a footnote,
3 that Delite Gaddie, who is one of two members of the
4 Applicant, John Hancock, did not have any participation
5 in Noah Webster School.
6 So it would be the Board's position that these
7 photos and the article regarding Noah Webster are
8 irrelevant.
9 ADMINISTRATIVE LAW JUDGE: Do you want to take a
10 look at your footnote?
11 MR. GADDIE: 255?
12 MS. ANDERSON: Yes, at the very bottom.
13 MR. GADDIE: I'd like to state here, again, does
14 not have any participation in that school presently is
15 what that means.
16 Does not mean that she didn't have anything to do
17 with the start-up of it.
18 ADMINISTRATIVE LAW JUDGE: Okay. Well --
19 MR. GADDIE: However, the reason why it's relevant
20 is because I'm trying to establish, Your Honor, my
21 mother makes a very good teacher and mentor, and it
22 would have been a good opportunity for me.
23 That's what I'm trying to establish. She's
24 obviously done a good job.
25 ADMINISTRATIVE LAW JUDGE: I'm going to admit them,

1 and I'll give them the weight that I deem appropriate.
2 So we'll go with that.
3 MR. GADDIE: Thank you.
4 ADMINISTRATIVE LAW JUDGE: So that was, make sure I
5 have the right numbers, 3.5 through 3.12.
6 (Applicant's Exhibit Nos. 3.5 through 3.12 were
7 admitted.)
8 MR. GADDIE: The only thing we have left now is
9 3.10 through 3.12.
10 ADMINISTRATIVE LAW JUDGE: I said: 3.5 through
11 3.12.
12 I'm admitting them all.
13 MR. GADDIE: Are we?
14 Okay, good. Thank you.
15 ADMINISTRATIVE LAW JUDGE: Don't these have to do
16 with the Noah Webster School?
17 MR. GADDIE: Yes.
18 And I'd like to comment on 3.12, refers down to the
19 very last paragraph, on the right-hand side, I have
20 circled there.
21 In the 1970s, the Gaddie -- the family ran a
22 private school, return to basic school, and called it
23 John Hancock School.
24 They're referring back to my mom and dad's private
25 school.

1 Just for the record, that's my brother standing
2 there on Page 310. That was the second day after schoo
3 started at Noah Webster. 600 kids, roughly.
4 I'd like to clarify also that with Sequoia, Noah
5 Webster, ACT -- excluding ACT.
6 We have Noah, Sequoia, Burke, and Happy Valley al
7 started with a minimum of 600 students each attending
8 the first day, and all of them gradually rose in number
9 after that since then.
10 They were all started between the years 1997
11 through 2001. Pretty good work for a family, in my
12 opinion.
13 And then ACT, of course, started with about 400
14 students, and ended up with about 360 by December 5th.
15 ACT only operated four months. That's all I can say
16 about that.
17 Your Honor, I have other evidence, but I don't want
18 to push it.
19 I think I've pretty much covered what my
20 capabilities are, covered my career pretty well, and the
21 capabilities of our family.
22 I've represented the family the best I know how
23 with the evidence that I have.
24 We would appreciate it if the Board would
25 reconsider any kind of a reconsideration in this

1 situation.
2 I even offered to remove myself from off the -- so
3 that only mother was on there. We can relocate or any
4 other problems they had. That was no problem with us.
5 It matters not where we open in the East Valley.
6 We'll be successful anywhere we go. So we're not picky
7 about that target population if it happens to be someone
8 on the Board doesn't want us there or whatever.
9 I'm going to rest here, Your Honor.
10 ADMINISTRATIVE LAW JUDGE: Thank you.
11 Ms. Anderson, any cross-examine?
12 MS. ANDERSON: Briefly, Your Honor.
13 ADMINISTRATIVE LAW JUDGE: All right.
14
15 EXAMINATION
16 BY MS. ANDERSON:
17 Q. Mr. Gaddie, your statement in your testimony has
18 been that this application of John Hancock to establish a
19 charter school is your mother's application; is that correct?
20 A. It is.
21 Q. But John Hancock consists of two members of its
22 Board of Directors, correct?
23 A. Correct.
24 Q. And you are one of those two directors, correct?
25 A. Yes, I am.

1 Q. You're also the vice president of John Hancock; is
2 that correct?
3 A. I was appointed later, yes.
4 Q. Your father is not a director or officer of John
5 Hancock Academy, Incorporated, correct?
6 A. No.
7 Q. Your application also states that you will be the
8 school principal; is that correct?
9 A. Correct.
10 Q. If you would, refer to Page 270, the fourth bullet
11 on that page, it states that, as school principal, you would
12 be responsible for the day-to-day administrative operations
13 of the school; is that correct?
14 A. Yes.
15 Q. It also states that as school principal, you would
16 be responsible for providing general oversight of the
17 performance of the teachers and the special education --
18 A. What page is that, again?
19 Q. Page 270, the fourth bullet down.
20 A. Okay.
21 Q. My question was: It also states in your
22 application that you as school principal would also provide
23 general oversight of the performance of the teachers and the
24 special education coordinator, correct?
25 A. Correct, however --

1 Q. You've answered my question. Thank you.
2 It also states that as school principal, you would
3 be actively involved in the oversight of the administrative
4 personnel, executions of various contracts with vendors, and
5 the overall smooth functioning of the school operation on a
6 day-to-day basis; is that correct?
7 A. No.
8 I mean, that's what it says, yes.
9 Sorry.
10 MS. ANDERSON: No further questions, Your Honor.
11 ADMINISTRATIVE LAW JUDGE: Is there anything else?
12 MR. GADDIE: Yes, I have to find it first.
13 It says -- it indicates in here many times that
14 Delite Gaddie is going to be the executive director. The
15 principal answers to the executive director.
16 273, please, Your Honor, is Delite Gaddie.
17 Kim, will you help me find where it says mother is
18 going to be executive director, while I'm commenting on
19 this?
20 Executive director of the school will need to have
21 strong communication and leadership skills. This is just the
22 requirements.
23 Let's see here. It's got to have mother here in
24 other pages. Where does it describe her involvement in the
25 school?

1 It's in here. I can't remember where.
2 I have to answer to her.
3 Our organization, it might be in there.
4 Steve, you can help too, if you like.
5 Are we missing sections in here?
6 Refer Your Honor to 251.
7 The business organizational chart indicates here
8 that the principal answers to the executive director, who is
9 Delite Gaddie.
10 So I don't want the Board to think that this
11 charter is mine. It's hers, even though I am in the position
12 that I am.
13 I recommended to her in the beginning that I not be
14 involved in the corporate side, she needs to do it on her
15 own.
16 But she insisted that we be transparent in all
17 things and deal with everything upfront and, that way, we can
18 do things clean slate.
19 It was her choice. She could have hired me as
20 principal later. We chose to do it this way, and that's the
21 way it is.
22 But the application is hers, and belongs to the
23 people with her. I've chosen to serve her, and would like to
24 have the opportunity to do so.
25 It's, unfortunately, my misfortune that the

1 background is what it is, but I don't think it reflects my
2 entire career. It's only a four-month interval of my
3 capabilities and my successes in education.
4 Mother didn't ask me because I was her son. She
5 asked me because she knew what I am capable of
6 accomplishing.
7 I think that's what the evidence has proved here,
8 Your Honor.
9 Kim, do you have any questions?
10 MS. ANDERSON: I have no further questions.
11 MR. GADDIE: I go ahead and rest too as well, Your
12 Honor.
13 I'm certainly grateful for the opportunity to be
14 here today.
15 ADMINISTRATIVE LAW JUDGE: Thank you.
16 Do you have any rebuttal witnesses?
17 MS. ANDERSON: No, Your Honor.
18 ADMINISTRATIVE LAW JUDGE: Okay.
19 So do you want to get into closings? Do you want
20 to do written closings? Do you want to do written
21 findings and conclusions?
22 I know there are some stipulated facts, obviously,
23 but I like to give the parties that opportunity.
24 MS. ANDERSON: Your Honor, I think it's the Board
25 preference to submit written proposed findings of fact,

1 conclusions of law, and to do that as well in lieu of a
2 closing statement.
3 ADMINISTRATIVE LAW JUDGE: Okay.
4 Mr. Gaddie, you would be given that opportunity as
5 well.
6 MR. GADDIE: I didn't hear what she said. I can't
7 hear very good in the right ear.
8 ADMINISTRATIVE LAW JUDGE: Do you want to repeat
9 that.
10 MS. ANDERSON: Yes.
11 The Judge asked our position with regard to closing
12 statements and whether we would want to submit proposed
13 findings of facts and conclusions of law.
14 I indicated it's the Board's position that its
15 preference is to submit written proposed findings of
16 fact and conclusions of law, and that this be done in
17 lieu of a closing oral or written closing statement.
18 MR. GADDIE: Your Honor, we don't have the
19 capability of doing that ourselves. I'll have to hire
20 an attorney to do that.
21 I don't have capability of doing that, Your Honor.
22 I certainly would, but I don't have the capability.
23 ADMINISTRATIVE LAW JUDGE: Do you want to make an
24 oral closing?
25 I mean, I want to give you the opportunity to fully

1 present your case.
2 And obviously, if the Board is going to submit
3 proposed findings and conclusions, you will be given the
4 same opportunity.
5 Basically, what that is is submitting what it is
6 that you want me to find.
7 MR. GADDIE: Sure.
8 Could I have theirs -- look theirs over first to
9 help out?
10 ADMINISTRATIVE LAW JUDGE: Do you want to submit
11 yours first rather than doing simultaneous?
12 This way he understands more so what it is he's
13 going to be submitting.
14 MS. ANDERSON: Typically, they're submitted
15 simultaneously.
16 I think we can either do them simultaneously, and I
17 can direct Mr. Gaddie to another administrative hearing
18 in which a proposed findings of fact, conclusions of law
19 were submitted so he can see the format; or, if it's
20 your preference, we can submit ours first.
21 ADMINISTRATIVE LAW JUDGE: Mr. Gaddie, Ms. Anderson
22 is correct. Generally, those are submitted
23 simultaneously.
24 But her suggestion is good in that she can point
25 you to previous decisions and, this way, you would have

1 the format that you could use.
2 MR. GADDIE: Thank you.
3 ADMINISTRATIVE LAW JUDGE: How long will the
4 parties need?
5 MS. ANDERSON: The court reporter is indicating two
6 weeks to do the transcript.
7 ADMINISTRATIVE LAW JUDGE: Mr. Gaddie, you'll be
8 getting a copy of the transcript as well, so you'll have
9 the benefit of that.
10 MR. GADDIE: Thank you, Your Honor.
11 ADMINISTRATIVE LAW JUDGE: How long do you think
12 you would need?
13 MR. GADDIE: Your Honor, again, I have no
14 experience with it. I have no idea.
15 I'll try my best to do what I can.
16 MS. ANDERSON: Your Honor, I think the Board's
17 preference would be, given the parameters of when the
18 transcript will be ready for the parties, to submit
19 their proposed findings by June 7th.
20 Part of the reason June 7th is because I am
21 planning on taking some time off the last week of May.
22 ADMINISTRATIVE LAW JUDGE: That's fine.
23 I'm actually thinking about giving a little bit
24 more time, for Mr. Gaddie's benefit.
25 This way he has time to read the transcript and

1 also, maybe, an example of what it is that he's going to
2 be submitting.
3 So why don't we give that an extra week.
4 So that would be, I think, the 14th.
5 MR. GADDIE: Thank you, Your Honor.
6 14th of June?
7 ADMINISTRATIVE LAW JUDGE: Yes.
8 That's when the proposed findings of fact and
9 conclusions of law would be due to me. However, I'm not
10 going to close the record on that date.
11 I'll issue an order advising the parties of when
12 the record will close, and that means that my decision
13 will issue 20 days from the date that the record closes.
14 MR. GADDIE: Thank you, Your Honor.
15 ADMINISTRATIVE LAW JUDGE: So, obviously, it's
16 going to be somewhat protracted in this particular
17 matter.
18 Is there anything further from either party before
19 I go through the exhibits?
20 I just want to make sure that we're all on the same
21 page in terms of what's been admitted, and we'll go from
22 there.
23 Is there anything further?
24 MS. ANDERSON: No, Your Honor.
25 MR. GADDIE: Nothing here, Your Honor.

ADMINISTRATIVE LAW JUDGE: I have the stipulations to the exhibits.

And then I believe the Board indicated that with the admission of V, W, and X, all of the Boards's exhibits are admitted.

In terms of Hancock's exhibits, there was a stipulation to admit 3.4, 4.1 and 4.2, 4.6 and 4.19.

And then I've also admitted 7.1 through 7.7, 4.7 through 4.10, 4.11 through 4.12-A, 4.14, 4.15 through -- basically, through 4.34; and then 3.4, and 3.5 through 3.12.

Does that sound right to the parties?

That's why I do this, so that we can all be on the same page.

MS. ANDERSON: When you said 3.34.

ADMINISTRATIVE LAW JUDGE: I have 3.4, and 3.5 through 3.12.

MS. ANDERSON: Oh, I'm sorry.

4.34.

I think the series of exhibits under Section 4 ended and 4.32.

ADMINISTRATIVE LAW JUDGE: Did I misspeak? That's what I have written down.

I don't actually have 4.31.

MS. ANDERSON: I have that 4.31 was withdrawn.

ADMINISTRATIVE LAW JUDGE: Okay.

MS. ANDERSON: And then 4.32 was admitted.

But there is no 4.33 or 4.34.

ADMINISTRATIVE LAW JUDGE: Okay.

Is that your understanding as well, Mr. Gaddie?

MR. GADDIE: I believe so, Your Honor.

ADMINISTRATIVE LAW JUDGE: All right.

MS. ANDERSON: I missed what you said after that, Your Honor. I'm sorry.

ADMINISTRATIVE LAW JUDGE: 4.30 was admitted.

And then I have 3.4 through 3.12.

MS. ANDERSON: Yes, Your Honor.

ADMINISTRATIVE LAW JUDGE: Am I missing anything?

MR. GADDIE: That's correct.

MS. ANDERSON: I don't believe so.

ADMINISTRATIVE LAW JUDGE: I wanted to make sure. All right.

With that, I will issue an order confirming that the parties will be submitting the proposed findings and conclusions by June 14th.

And then I will issue an order closing the record -- or, I should say advising the parties of the date the record will be closing at some subsequent date.

Any questions, comments, concerns?

MS. ANDERSON: No, Your Honor.

ADMINISTRATIVE LAW JUDGE: With that, I'm going to conclude.

Thank you all very much.

(Hearing concluded at 3:40 p.m.)

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

BE IT KNOWN that the foregoing hearing was taken before me, DEBORAH J. BOYETTE, Registered Professional Reporter, Certificate No. 50507, State of Arizona; that the witnesses before testifying were duly sworn by the Administrative Law Judge to testify to the whole truth; that the questions propounded to the witnesses and answers of the witnesses thereto were taken down by me in shorthand and thereafter reduced to typewriting under my direction; that the foregoing 191 pages constitute a true and accurate transcript of all proceedings had upon the taking of said proceedings, all done to the best of my skill and ability.

I FURTHER CERTIFY that I am in no way related to any of the parties hereto, nor am I in any way interested in the outcome thereof.

DATED at Phoenix, Arizona, this 20th day of May, 2013.

Deborah J. Boyette, RPR
Certified Reporter
Certificate No. 50507