

The Money Making Intrigue of Alon Barak

Desert Hot Springs, CA – The scheme took years to unfold. The concoction was a strange brew of unusual real estate transactions that increased the value of a building from \$93,000 to \$1.4 million in just seven years. It involves sellers changing their names and then acting as agents for “new” buyers, a city redevelopment agency with millions in bond money to spend and in the end one man, rabbi Alon Barak, ended up a new millionaire.

The city’s Redevelopment Agency ended up owning the building, a purchase transaction that has unusual quirks of its own.

The paper trail that uncovers this scheme is the result of a year long investigation of real estate transaction documents and interviews by this publication. This is the story of Temple Baruch Hashem, more commonly referred to as the Jewish Temple in Desert Hot Springs.

Records show that on January 11, 2001, Steven Mesarch, president of the Desert Hot Springs Baptist Church, purchased Temple Baruch Hashem located at 666-75 Pierson Boulevard, Desert Hot Springs. The amount of the purchase was \$93,000.

Some time after that purchase, Steven Mesarch changed his name to *Alon Barak*, became a Jewish Rabbi and appended his name in legal documents to Doctor Barak.

In a strictly paper transaction on January 30, 2007, county records show Temple Baruch Hashem executed a grant deed in favor of Alon Barak and Christopher Mesarch, son of Steven Mesarch.

Steven Mesarch acted as the seller for Temple Baruch Hashem using the name Alon Barak. In effect, the same person acted as an agent representing the interests of the seller under one name and as an agent of the buyer using a different name. The sale price was over \$400,000 according to county records.

In February 2008, approximately one year later, **Alon Barak** (aka Steven Mesarch) sold the building to the RDA for \$1.4 million. However, that transaction was later altered in a new and separate transaction that found Alon Barak again transferring ownership of the building from himself and his son back to Temple Baruch Hashem.

RE-DOING THE DEAL

In a letter to the RDA and after the agreement to buy the building from Barak the individual, attorney’s for the Rabbi wrote to say Barak wanted to redo the transaction. He wanted to show the agency buying the property from Temple Baruch Hashem instead of him personally.

In that letter, Barak’s attorney wrote, “Dr. Barak entered into the Purchase and Sale Agreement with RDA of Desert Hot Springs under the express assumption that he was acting as trustee for the Temple Baruch Hashem. It has always been Dr. Barak’s opinion that the legal title to the property located at 666-75 Pierson Boulevard, Desert Hot Springs, has been held by him (and now by his son Christopher Mesarch and Dr. Barak) as trustees for the Temple itself.”

The letter later outlined three changes to facilitate the change in the agency purchase agreement: “(1) Christopher Mesarch will quit claim any interest he might have in the property to his father, Dr. Alon Barak; (2) Dr. Barak will transfer the title directly to the Temple Baruch Hashem, a legal corporation, and (3) by addendum prepared by the City Attorney, Ruben Duran, Dr. Alon Barak’s name, as seller, shall be replaced by the entity Temple Baruch Hashem, Inc.”

“Dr. Barak, as leading director for the Temple corporation, will still be the authorized representative and agent for the Temple Baruch Hashem and acknowledged by his signature the addendum mentioned above.”



The attorney, Robert J. McFadden, Jr. of McFadden & Associates, representing Alon Barak in the transaction with the agency, further explained in the July 29, 2008 letter to the agency that “Dr. Barak had met with legal counsel and with a CPA tax consultant, as well as a leading Christian Law Review group specifically to address legal and tax issues relating to various ministries and denominational faith groups throughout the country.”

McFadden said in the letter that “it has been determined that Christopher Mesarch and Dr. Barak can, in fact, transfer title as described above without tax consequence to them as individuals. This, of course, would be an issue between the individuals and the taxing agencies.”

Those taxing agencies, among them the IRS, do not discuss their investigations.

RELIGIOUS CONVERSION

To establish the background for this story, we look back to 1998, prior to the purchase of the Jewish Temple by Steven Mesarch, before he changed his name to Alon Barak. He was then pastor of the Baptist Church on Pierson and Little Morongo just outside the Desert Hot Springs city limits.

Barak explained he was a Baptist minister prior to discovering adoption papers identifying him as Jewish. Pastor Mesarch later changed his name with his conversion, leaving the Baptist church to Pastor Ray Smith who now operates the ministry out of a meager storefront in the city across the street from Super Liquors on Palm Drive.

For several years Barak operated a small private school in the Temple, just as he had operated a small private school (K-12) at the Baptist church. At the time of the sale to the RDA, we were not able to determine if Barak continued to operate a school on the Temple site; but some time prior, student desks were observed in the building.

Barak went public in 2008 with his intentions to sell the building, saying his congregation had aged and migrated to Rancho Mirage and Hemet. Barak was determined to sell the building. A deal with the Family Service Center, a non-profit community service organization, fell through when the city of Desert Hot Springs refused to provide funding.

Barak then announced he had been approached by a group that rehabilitates drug addicts and convicted felons on parole. Barak was determined to sell the building so he could, as he stated publicly, relocate to the holy land, permanently.

CRIMINAL MINISTRY THREAT CREATED FEAR

Around this time, Barak began circulating warnings about this criminal and drug rehabilitation group, a group never named and never identified, wanting to purchase the property. It had millions to spend, said Barak, warning concerned citizens and city officials that he was being forced to negotiate with the group on the purchase the building. The offer Barak was considering was between \$2.4 to 3 million dollars.

Barak magnanimously said he would rather see it go to the city, even though the city’s offer was only \$1.4 million. It was an offer that sounded favorable to a city already housing many drug and parolee rehabilitation facilities. In discussions over the city purchase of the building from Barak, that concern became a frequent issue by those pushing for the RDA purchase from Barak.

Barak’s soft-spoken success was in using that powerful threat to motivate the city to buy the building, presumably keeping it out of the hands of a private sector service provider targeting a criminal element. Nobody wanted that.

PUSH COMES TO SHOVE

Another group, interested in finding a stable home for performing arts theater, fell in love with the building. The stage, the lighting, the fully equipped commercial kitchen and the huge fellowship hall seemed perfect for dinner theater performances. Friends of the theater group put more pressure on the city council to snap up the building.

Many months passed during which the Rabbi supposedly held off further negotiations with the rehabilitation group. City council members were lobbied heavily while a deal was orchestrated for the city purchase. Barak began earnestly showing up at Chamber of Commerce mixers and attending city council meetings as an

observer.

When the matter finally came before the city council for discussion, it was presented as a attractive property with multiple uses such as accommodating public meetings with additional room space in a city short on meeting rooms. Also considered was moving the AA meetings out of the center of town, using the building as a new senior center, a temporary city hall or a new expanded library. All were ideas discussed publicly before the purchase by the RDA.

With these multiple civic needs in mind, the decision was placed in front of the RDA. An appraisal was conducted where the value was set at \$1.22 million for the property and \$200,000 for the equipment and other amenities in the building for a total appraised value of \$1.424 million dollars.

This publication has attempted to reach members of Temple Baruch Hashem but as yet has been unable to locate them or to determine if a board of directors of the Temple authorized the sale of the Temple or even existed.

EPILOGUE

Barak, now a millionaire, has since married a woman from Brazil who is a doctor. Council member Scott Matas, the long-time friend of Barak, reports that two months ago the Rabbi finally relocated to the holy land. Still, Barak is keeping a home in the city, said Matas.

In the months prior to his departure, Barak was seen attending fundraisers in support of local political candidates.

Barak is also currently working on at least one new land deal in Desert Hot Springs, according to a source that did not wish to be identified. Barak owns undeveloped property at another Pierson Boulevard address. The Rabbi is reportedly working to sell that property to the College of the Desert for use as a satellite campus location.

The College is pressed for time, wanting to get something started soon. COD has several million dollars to spend and Alon Barak's land just might answer someone's prayers.

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Dean Gray

Publisher and one of the writers for the Desert Star Weekly, the California desert's #1 and only alternative independent weekly newspaper. Dean started in the newspaper business at age nine, delivering the weekly Shopping News in Long Beach, California. He wrote, published and sold ads for his first independent newspapers in 1969 while in high school and has been writing ever since. Art Kunkin, then publisher of the LA Free Press and now of Joshua Tree, was then and remains now his inspiration and a weekly columnist in the Star. While Dean's "cactus thorns" can be sharp and pointed, he has a passion for art, music, good food and healthy living. See www.desertstarweekly.com/who-we-are for more.



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