

A 'WORLDWIDE NEWS' SPECIAL SUPPLEMENT

FORUM WITH STANLEY R. RADER

This special *Worldwide News* supplement consists of a question-and-answer session held by Stanley R. Rader, the Work's treasurer and general counsel to Herbert W. Armstrong, during services in Pasadena Jan. 19. Mr. Rader's answers cover various aspects of the present state of the Church, which is presently in receivership by order of a Los Angeles, Calif., Superior Court judge.

Greetings everyone. I thought today would be an opportunity to answer some questions. Sometimes that's the best way to find out what people are thinking, also the best way to find out if there is any confusion about events of the past two weeks that our other reports to you and your own observations have not brought home clearly.

What was the reaction to the petitions (affidavits)?

The petitions were left with the federal court with Judge [Robert] Firth in Courtroom 11 of the federal [U. S.] District Court. We assume that the judge will read all that presented to him including a sampling of the affidavits that came from the membership. I think certainly he would be much moved by that.

Mr. Rader, are the offerings getting through to Mr. [Herbert] Armstrong in Tucson [Ariz.]? Also another question — what about the court proceedings now until it goes to the federal court?

I don't know about the former because I haven't been there. And the proceedings now are such that we have a petition pending with the District Court of Appeals. That's a state court. And the State of California has until Monday to get its answer to our petition in. I would hope that there would be an answer by Wednesday or Thursday, and I hope it's a favorable one.

I believe that is clearly why Judge Firth yesterday [Jan. 18] chose to not stay the lower court pending the hearing on the request for permanent injunction against the lower court. Because if the State District Court does hold in our favor this coming week the matter will be moot by the 29th, and he will not have to get involved, and the federal court will not have to enjoin a state court. There's a certain reluctance to do that anyway if there are any reasonable grounds for so doing it.

Actually I had told Mr. Armstrong within moments before I left for the courthouse yesterday that if I were the judge, taking everything into consideration, that I would also defer, for the moment, to the State Court of Appeals, and, of course, that's what happened.

How does it look for us, let's say, as far as maybe it would all be thrown out Wednesday or is that a possibility?

I believe (as our attorneys believe) that there is absolutely no justification whatsoever for what has taken place. It is clear on the face that what has taken place is a violation of every one of our constitutional rights. And even if there were no constitutional issues, what has occurred is unjustifiable, unreasonable and wrong.

I remind you that none of us have any freedom but for the fact that the Supreme Court of the United States consistently, over a period of years, has overturned

lower courts. In other words, other people's rights have been trampled on again and again and again, state after state, court after court. But somewhere, finally, an enlightened, reasonable court has said this cannot be.

Now I told Mr. Armstrong more than 20 years ago, when I first met him, that one day we might well find ourselves in the vanguard — that means out in front, not a rear-guard action, but in the vanguard — fighting for our rights and winning more freedom for others to do as we insist we have a right to do. And he said he could anticipate at that time that we would be persecuted. And I said, "Well, if you are certain that you will be persecuted, I am certain that you will have to, one day, be in the vanguard."

So none of this comes as a great surprise to him at all, and the World Council of Churches has contacted us, and they are rallying to our side. Other religious groups are rallying to our side. The American Civil Liberties Union — all of these people are now interested in what is happening. It is a classic, outrageous confrontation between the State on one hand and the Church on the other.

All of you heard yesterday, (I'm sure you've heard on other occasions) the attorney representing the State saying that the Church and its property belongs to the State. I mean it is a basic absurdity. It makes no sense even from an intellectual standpoint, no less a spiritual and constitutional point of view. As you all know, 90 percent of our members, for example, are outside the jurisdiction of California. Ninety percent of everything we have accumulated has come from outside of California.

Would you please sort out for me the different levels of our court system and how we are proceeding with the case?

Yes, it's a good question. We began in the Superior Court of the State of California, which is not our lowest court, but it is one of our so-called lower courts. And above the Superior Court, which has jurisdiction over certain matters, you have the District Court of Appeals and then you have the Supreme Court.

Now an ex parte matter was brought before a judge. No notice was given to us at all. No notice! And an ex parte judge, on a complaint based entirely on information and belief was the basis for the imposition of restraining orders and a receiver on the Church.

Now that matter is handled within the Superior Court system at a rather inferior or lower level. This is the so-called writs-and-receivers area and strictly ex parte. So the first notice we had of the matter was when they came banging on our doors. We immediately summoned all of our forces together (our legal forces) and got on

the court calendar as quickly as we could and the earliest that we could do that was Friday. This began on a Wednesday and the earliest that we could get in was a Friday. Now that's the State's system. Now that's the procedural aspects that we are talking about. We're not talking now about the merits.

Behind this ex parte order for the imposition of restraining orders and a receivership, there is a complaint based upon information and belief in which they have made the wildest and the grossest allegations concerning the leadership of the Church and the court order itself (we have the transcript).

We'll be happy to have it reproduced in a few days. I'm sending it to every single newspaper in the country. Every single television journalist in the country will get the copy of that transcript so they can see what happened, not what has been reported heretofore so inaccurately in newspapers. There was no evidence of any improprieties or wrongdoings. As I said the other night, there was an inference. There was some concern. There were some questions. There was some possibility. And we believe that the complaint, as such, will fall on its face, not to mention the total impropriety of receivership being imposed and a set of restraining orders imposed upon the Church.

Now, we had a choice of trying to go into federal court immediately — never even go back to the state court — try to get the federal court to enjoin the state court proceeding immediately. Mr. [Ralph] Helge and I discussed that with our counsel and they decided, no, the whole situation was so impossible — impossible wrong — that they were certain when we went back to the writs and receivers, where we began, that somebody would do something about it, and it wouldn't be necessary to involve the federal courts. And we also did not have to file. When that didn't turn out to be the case, although Judge Vernon Foster seriously changed the order and curtailed the powers of the receiver markedly, and we went back before a different judge, we did not get the result that we wanted.

Even at that point I did not have to appeal it immediately to the State Court of Appeals. There was a judgment call that said that we should go into federal court and the state court simultaneously. And maybe the federal court would have said the same thing, anyway. If we hadn't filed in the state court, maybe the federal court would have said, "Well, you have a remedy. Why don't you file a petition for writ of mandate or prohibition in the District Court of Appeals, and we're not going to hear the matter until they act." That might have happened anyway. So that's where we are, and we'll, step by step, find a way until a court, somewhere, at some time, reverses.

Now it's a little bit like a prize fight before they began to settle the number of rounds. Now most prize fights are 15 rounds or 10 rounds. Well, that isn't the situation here. We don't know what round is going to be the round that we win, and we don't know how many rounds there will be, but eventually we will prevail. And it will be something that we hope will occur in the near future.

Someone's passed me a note asking me to explain what ex parte means. I guess that isn't as obvious on the face as I thought it was. Ex

parte means when the other party goes to the judge and does not give the other side an opportunity to be heard. And the judge makes his order without hearing anything from the other party.

Now usually, except in the rarest of circumstances, a court will not do that. A court insists that generally you give four hours notice to the other party. Even with four hours notice we would have gone in before the original judge, and I am confident that we would have blown this complaint right out of the window.

But once something wrongful occurs and someone gets a foot in the door, it's sometimes a little harder to get that foot out, than if the foot never got in there to begin with. That's what we're contending with right now. But we will prevail, I assure you of that. And we will prevail on the merits as well.

Who will be obligated to bear the burden of the cost of the receivership?

That's one of the things that is so outrageous. At the present moment — the Church, the brethren — are bearing the costs, and they are enormous. We have already paid out, in cash, \$150,000 to the receiver. The receiver has stated in open court that he earns \$150 per hour. He stated on television, and we taped the television interview, that he's working 16 hours a day. Multiply it out. It's staggering. His attorney says he works for \$150 an hour. Now these are net figures. We're not talking about the costs of hiring accountants, and the costs of hiring guards and the like. That's coming out of your pocket. It is unbelievable.

Here they come in, and they accuse Mr. Armstrong and me of financial improprieties. And if you multiply it out, don't even take the 16 hours a day, let's take eight hours. Just multiply it out. One hundred and fifty dollars an hour for eight hours per day is \$1,200 a day times five is \$6,000. Six thousand times 52 and you are over \$300,000. That's a nice number — very nice number. And the attorney, I imagine, will come in for about the same. So those two people alone, without costs, would expect to have compensation of about \$600,000 per annum out of the Church tithes and offerings.

But the thing is they forget one thing. We've received a lot of mail, an awful lot of mail. And the mail has said that we're not going to tithe to the State of California. We're not going to tithe to a receiver. We're not like an assignment of rents, in other words. We're not robots who are simply going to assign 10 percent of our check to the State. I think in time we will see that the circumstances will change a bit here, and the people who have come in here thinking that this was an easy mark, they are going to find us somewhat different.

I was confused by Mr. Armstrong's letter. He mentioned that we should send a special offering to Tucson and to use the address until further notice. Does he want us to send our tithes there?

He has not asked for the tithes. If you read the letter very carefully, what he asked for was a special offering for a legal defense to save the Work. I think that was his language. And what they did is, they deprived him and the rest of us from the use of the Church resources to defend the Church. Rather interesting.

Would it be to our advantage to

send them (the paper that we signed here at the Auditorium, the 3,000 papers that you took down to court) to all the members of the Church and have those come in?

You are all brethren of the Church, and I think you should let your conscience be your guide. And I think that you, my personal opinion is, you have a right to communicate with anyone you choose to communicate with.

Could you tell us what the financial situation of the Church here in Pasadena is now and what the receiver can do? Can he start selling off properties?

I think that's a good question too. I think most of you have heard me say, over the years, that we have four kinds of resources in this work. Most important is spiritual. The second is human. The third is financial, and the fourth is material. Which is the least important? Material. The least important is the material. As a matter of fact, there is kind of an anomaly here, an incongruity, if you please.

We know, even amongst us loyal Church people that there are many people, many, many people, who would criticize, not in a destructive way, but criticize perhaps in a fair way, that over the years we have even accumulated this much material wealth. Do you follow me? Those of us who are loyal Church members know that maybe we didn't have to have material things at all, but as the money came in we would have spent it more rapidly. And we would have spent more in one area such as the media, the print media, personal evangelism, what have you. So there's kind of an interesting anomaly here.

The State on one hand is saying, Aha, this accumulated wealth, 90 percent of which comes from the outside, belongs to the State. And we don't like what you've done with the money that isn't here. You follow that? And yet some of us would have said, well, maybe we didn't need God's House. Now we know it's right, and we know we have enjoyed it, and we know God want us to have it, and we know that Mr. Armstrong was inspired to build it.

But I'm only pointing out that it's rather interesting that the only thing that they have been able to get their hands on is the accumulated wealth. You don't belong to the State as individuals. And your free tithes and offerings do not belong to the State. So consequently, your faith, your financial resources and your human resources are not subject to the control of the receiver who is here. At least that is my opinion. And we will find, as time goes on, that that becomes more and more clear to everyone, including the courts. It's already become clear to other churches.

In the meantime, like for tithes and offerings, would you recommend sending it like to Vancouver [B.C.] or Mexico City?

I cannot make any recommendation of that sort. We are not making any recommendation whatsoever concerning tithes and offerings. The only person who has ever addressed the brethren on the subject of tithes and offerings anyway, really, is Mr. Herbert Armstrong. There was a brief period of time where he permitted his son to write letters to the brethren or co-workers. But you know, nobody has ever asked you, other than Mr. Herbert Armstrong and this other limited period of time, to send tithes, except Mr. Armstrong. And you've only heard from him once.

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during this period of time now, and he's asked specifically for a special offering for a legal defense.

Well, if we want to send something on our own?

You're on your own. Does that answer it?

Do you think there's a possibility that we could sue the State ourselves or should we do that? As individuals could we sue the State?

We are looking into that. Our lawyers are looking into that very definitely. And I feel, and our lawyers feel — although all the research is not completed — that you will all have actions against the State, and it's a question of where the proper forum will be. We don't know whether the people outside the state, for example, will find their forum in the district courts.

For example, there are about 270 federal district courts around the country, and we don't know whether that's going to be the proper forum or whether California would be the proper forum. But you will be advised, and if you have any questions in that regard, you call the offices of Mr. Helge, and he can give you whatever information he has. But we've had many, many requests along that line, and we're already looking into it.

Who are the "people" whose interest the receiver is looking out for?

That is rather interesting, isn't it? Of course, they're very much concerned because they've had a few letters and a few manifestations of comment and criticism from some dissenters. And they feel that, of course, the dissenters are the ones who should be protected and not the rest of you and all the rest of the loyal brethren around the country. And they have also, in their pleadings (which I think we should make available to you also, as soon as we get a chance to get all this work out), not only asked for an accounting and a receivership, but they want to change the form of government of the Church. They don't like the idea that this is a theocracy. They don't like the idea that Mr. Armstrong is the spiritual head of this Work. And that's part of the issue. And that's one of the requests that they have made.

The other part of the question, concerning people, us or the people of the State who don't tithe. That's rather interesting. They may seem to have forgotten that everything here has come from the voluntary tithes of the people. And what will the receiver do when the money runs out? I imagine he might try to sell some buildings. But we'll be prepared for that also.

Mr. Rader, does the legal fight time and a half for overtime?

I don't know. Mr. [Allan] Browne is trying to get him to account for his expenditures on a pay-as-you-go basis or, it's like a cash-and-carry basis, but he's not having much success at that. And I'm afraid that as long as he is here, we're going to have to wait until he makes some kind of an accounting to the court. And when he does that we will have a right to challenge it, and it will be just one more issue that will have to be litigated.

Two questions. The first is, rumor goes that the Church is mounting debts at the tune of a million dollars a week. Could you comment on that? And also concerning the countersuit of \$700 million dollars. How long would that take, and what type of channels must we go through?

I'm not sure that's entirely an

inaccurate rumor. What it really means is that our operating expenses are, at best, equal to our voluntary tithes, if our tithes were coming in here. And our operation, let's say, domestically, may be around the \$60 million dollar per year operation. So that's an excess of a million dollars a week.

So if we are going to continue paying our mortgages, paying the costs of servicing this center, paying off payroll, getting out the media at the levels, getting out *The Plain Truth*, *The Good News*, *The Worldwide News*, *The Pastor's Report*, in five languages, at the same levels, at the same circulation figures; if we are going to continue with our radio broadcasts, our television broadcast and support our foreign offices, it will mean that we are incurring debt at that rate. However, if in a very short time we find ourselves without any credit because creditors are not going to extend credit, and there isn't going to be any cash here to pay the bills unless the brethren of the Church continue to send money to the receiver, which I doubt they will do very much. I haven't talked to anybody yet who will. They all tell me they won't, and they want to know what to do with it. And I tell them that they are on their own.

Think it out. And you know, right now, if we were to give you all the documents, it'd be about this high. And maybe what we'll do is each day try to get out one part of it so that you can read it and digest it. If you read the moving party's complaint, you will see a declaration under penalty of perjury by the attorney representing the State that no damage — no damage — will be caused by the issuance of the receiver. No damage. Incredible statement that nobody has addressed themselves to, at least to my knowledge, because no damage is a far cry from what we have suffered.

On the other hand, it has brought us all together. So we've suffered a lot of damage, as Mr. [Roderick] Meredith just said. It's a time of testing, and in a time of testing, the steel gets tempered.

How much is this apt to help in the sale of Mr. Armstrong's book?

I believe that it will have a tremendous impact on the sale of Mr. Armstrong's book. Again, however, we have to probably beg the permission of the receiver if there is any money around here to pay for the publication of Mr. Armstrong's book. Copyright, however, is in the name of the Church.

I don't know whether the first book that is ready to come out will be exactly apropos. But I've already begun to write a book, and Mr. Armstrong is helping me to write the book and other professionals are helping me to write the book. We think that book will have tremendous impact. And then some of the other books Mr. Armstrong is in the process of writing will be more apropos. The one that he's almost finished now is *A Voice Cries Out*. And we feel that one may catch the public's fancy even more quickly.

What is your book about?
My book is about all of this.
It sounds like it's following — kind of Watergate . . .

Exactly. That's very good. I told the press the other day that there's a Pulitzer prize in it for an imaginative, hard-working, tenacious member of the working press. I really believe that what they will find here will bring about a Pulitzer prize, and it won't be the facts that have appeared on the surface. They're the facts underneath. I think the word's getting out. I think you'll find investigative reporters at work, and somebody will win a big prize.

I still have a question that I'm not certain about. Would you please address something that has not been made clear to me, the charges made against you about your selling certain homes and what kind of homes have been used?

Sure, absolutely, be very happy to. All of you have heard me relate on more than one occasion in the past about my various roles in the Work and benefits that I have received over a period of time because, for some reason or other, my various responsibilities and functions and the benefits I've received for fulfilling those duties have been from time to time within the welter of controversy, at least among some people. And I've always been rather open and up front about it.

Now, when I began with Mr. Armstrong, as I've said many times, I kept at arm's length from 1956 or early '57 right on through 1975. Now it wasn't easy for me to remain at arm's length, and I received a lot of criticism, as some of you who have been around a long time know, because I was not a member. I was not an employee, of course, I wasn't a minister or an officer or director. But most important, of course, I wasn't a member.

So not being a member, someone who was always the object of much affection, emanating from the brethren in some cases, emanating from the ministers in other cases and even some of the employees around here, I was somewhat an object of enmity and jealousy and envy and hate. And I haven't liked that, and I've responded because my skin was a little thin. It was much thinner than that it is today.

And I pointed out that it would be a very easy thing for me to become a member. But if I became a member before I was ready then that would be blatant hypocrisy. I would rather, you might say, grin and bear it for awhile until such time as I felt that whatever the reasons were that were keeping me back from becoming a member of the Church, being baptized, until those barriers were removed. But all during that period of time, I worked with the people in the Church, including Mr. Armstrong, at arm's length. Whatever benefits I received, I received just the same way as anybody else who was performing services or furnishing goods to the Work and was not an officer, director, employee or a member.

Finally in 1975, when I changed my position, it was necessary for me to cut all my contacts with everything else that I had been doing, to get out of my law practice, to cut myself away from other income, to sever my connections with Worldwide Advertising and the like. Now I've traced those things before for you. If you look in the *Pastor's Report*, and, I think, in *The Worldwide News* of a few months ago, I think they were repeated there. But I can trace it again for you if you would like.

The first time I ever had anything to do with the Work that was not directly a consequence of specific professional services being rendered at the request of the Church or the college or whoever it might be, was in 1967. On that occasion, the then vice president for Financial Affairs of the Church and Mr. Armstrong came to me, and there was a desperate situation.

Mr. Armstrong had been told that he ought to have a jet aircraft. He was very reluctant to have a jet aircraft because he was very much afraid of private airplanes. In fact, there was an order around here that no one could fly in private aircraft.

He finally became interested in it and got over his fear, and an airplane was purchased by Mr. [Albert] Portune, who was then the vice president for Financial Affairs. And he entered into what is called an executory contract for the purchase — absolute purchase — of the plane from Pan American.

That's not basically what I wanted to know.

What did you want to know?

What I'm specifically asking about is the selling of your homes.

Oh, my home, fine. I was going to start with the first transaction, okay? So in other words, you don't have any more questions on airplanes? That's good. Okay, one down. Now you want to know about my home.

In 1971 Mr. Armstrong and two top-ranking evangelists decided that it was important for me to have a different sort of residence than I owned at that time in order to fulfill all of my roles within the organization.

I was outside the organization, but I was traveling with Mr. Armstrong. He was inviting people to come to the United States. He wanted a place where he would be able to extend all the hospitality that he would like to extend without having to be personally involved that much. He also wanted a place where we could entertain and frankly, where all of this could be done, if necessary, on Saturdays and Friday nights.

And Mr. Armstrong personally, in the company of these two other evangelists, selected the home and said, This is it! Okay?

Then, we found out who owned the home and found out how we could buy the home. And Mr. Armstrong and the vice president for Financial Affairs said, We think we can buy the home and then we can help Mr. Rader arrange the financing right afterwards.

So the Church, or the college, I forget which (it was handled by the vice president of Financial Affairs), borrowed a sum of money from the bank, the house was bought after an offer had been tendered in my name and the property was acquired.

And pending the working out of the financing, I quit-claimed the property to the institution. So that while there was this period of time when I had to get the financing together for myself, if anything happened to me while I was traveling or something of that nature or Mr. Armstrong had decided that he didn't like me any more, the property would be owned by the Church.

Well, it took a little longer, it took about eight or nine months, something like that, to work out the details. And when the details were worked out, I put in my own down payment. I assumed a \$225,000 mortgage, and I gave the Church an additional \$145,000 mortgage — a note secured by a second deed of trust — with interest at 7 percent. Okay? It came to about \$450,000.

Now, it was a very good buy. Otherwise I would not have bought it. Okay? Mr. Armstrong did not rely upon me at all because my advice was bad. Generally speaking, if you rely on a person's advice at all over a period of years, it's because he has a demonstrably good track record.

By 1977 — a year ago — the property had become enhanced in value, and the former ambassador to Great Britain had just returned. I guess just before [Jimmy] Carter became president. At any rate, he saw the house and offered me a million dollars cash for it in writing. I said, "No, it's worth more — much more." And so I didn't sell it

to him. Other people approached me for the sale of the house, which wasn't even for sale. It was never listed for sale. But finally, by being harder to get or playing hard to get, one or the other, someone came along with the right price.

By that time my circumstances had changed. Mr. Armstrong was living in Tucson. He wanted me to spend more time there in Tucson with him. By that time, I was employed, of course, by the Church (began in '75), and he's a very jealous employer. He likes me to be with him. And so he said, "Now, look, I want you to stay down here in Tucson with me more often." And I said finally, "Okay, if that's the case, I will sell my home." And I did sell it. And I sold it for \$1.8 million — a matter of public record, less commissions, etc.

So I owe, as a result of that, income tax — federal and state — and of course, my tithe. And that's the whole story.

You mentioned a couple more things — this last thing is not clear. What does the sale of the house (this is something I don't understand about — sale of homes) now the house has sold for \$1.8 million, what happens with the mortgages? Are they paid off?

Oh, I paid them off, of course. I paid them off and I paid interest of about \$85,000 in interest on that \$145,000 note that I'd given to the Church or the college during that period of time. That's right.

I heard something related to this. It was airing on National Public Radio the other day. And apparently various of your accusers were accusing you — you, with Church money — of buying high and selling low. And you being the example . . . of this home and saying it was a case of buying low and selling high, and nobody could accuse you of being stupid.

That's right.
Are they apparently, these accusers, referring to buying high and selling low, referring to property right around the campus?

Yes, in other words, one of the things they accused us of is trying to dispose of the Big Sandy [Tex.], campus for \$10.5 million when it's worth \$30 million. But the appraiser, a very fine outstanding appraiser (the complete appraisal is about that thick), showed the property was not worth more than six million. So that's no longer a matter of controversy.

I have two questions. The first one is, are you legally unable, because of your circumstances here, to tell us where our tithes should go?

First of all, I told you that no one has ever told you where your tithes should go. No one's ever asked for your tithes other than Mr. Herbert Armstrong, and except for a short period of time where he allowed his son to communicate with the brethren and co-workers.

Therefore if I were to suggest where the tithes would go, obviously I would be in some way occupying a field that is entirely his, and that wouldn't be right in itself. But also, there is some concern on the part of the lawyers that, if we were to tell people where the tithes should be sent, that we might be held in contempt. So with that in mind, I again state that you're on your own.

How long will it take with the present consumptions for the receiver to use up our cash on hand?

I would say that we're coming pretty close. Pretty close.

What will happen to the employee paychecks?

I don't know. I really don't know. I think that from their conduct when they came in here, they

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really pictured things a lot differently. First of all, they tried to storm the executive offices where somehow they thought all the money was. And they found out, of course, there's no money there. And then they found out that, as a matter of fact, there was little money anywhere. And because of their actions, the California Bank offset a \$1.3 million loan, which they wouldn't have called. So that drained \$1.3 million out of our working capital immediately, which was totally unanticipated.

And then on Jan. 15th, we were due to draw down an additional million dollar loan, which we almost always do at this time. We borrow twice a year. We borrow a million in January and we repay right after the Passover. We borrow in the summer and we pay right back after the Feast of Tabernacles — one million. So we've lost \$2.3 million in working capital just by the receiver having announced his presence.

In fact, I don't even think the bank would have cared whether they ever got into the executive offices. As soon as the papers had been served on the bank, the bank panicked, and they lifted the money from the account. They forgot to notify us, so there's another lawsuit there. But banks, even banks, can't think of everything.

First, is there any way we can stop the receiver from getting the \$10 million from the sale of Big Sandy?

We've got some pretty good heads around here. What department are you in?

Data processing.
That's a good question, and other people have thought about it. So it's in hand.

I have two questions. Yesterday, in court, Judge Firth mentioned something about the plaintiffs would probably not be successful in some kind of attempt.

That's not exactly what he said. His precise words were, "There is a substantial question whether the plaintiffs will prevail." Well, any time there is a justifiable controversy, there is a substantial question, you know. If there's any color of right on the other side, then there is a substantial question whether the plaintiff or the defendant will prevail. I didn't read it the way you did.

Does that mean that we as plaintiffs in the federal court ...

Yes, but I would assume that there's a substantial question as I said before, on the State's side in their action — they're plaintiffs in the other court. So you can read it any way you want to.

Mr. Rader, I represent six loyal members of the Church. And we were wondering if you could recommend an attorney. We would like to start an ex parte proceeding personally against Mr. [Judge Steven] Weisman and Mr. Atkinson, assuming that they are pilfering millions of dollars or planning to.

I would suggest that any of you people who have those questions, and they're very serious questions, should contact the law offices of Ervin, Cohen and Jessup. Phone number is 273-6333. And you can ask to speak to Mr. Browne, or Mr. Cooper, or Mr. Chevelie, or Mr. Gabriel. They'd be very happy to talk to you.

If we are currently running out of cash on hand, as you said, and very shortly the receiver will be paid directly from current incoming tithes. In other words, what goes out of our hand will go directly into his pocket?

That's exactly right. Exactly. Assuming there are any tithes.

What's the present status of the audit that they supposedly came in here for?

I wouldn't even begin to hazard a guess. But I can tell you this: That any one who knows our data processing center, who knows our mail processing center, knows our accounting system and our internal accounting system, anyone who knows it — and we've filed affidavits to that effect — will tell you you will not find a better system. And there is no question that can be asked by anybody that cannot be answered. But I have heard an alarming story, which I have not yet confirmed. I'm waiting to receive an affidavit concerning it myself, that the magnificent security building and the internal control system that we've established here has now been broken, and that records have been removed as of yesterday from our secure building to an insecure place. In other words, a building where I have never had access, for example, and to my knowledge, Mr. Armstrong has never had access, and Mr. Helge and other defendants have never had access, and which has been under the control of our middle echelon people for all these years, has now been placed under the control of the receiver.

And I've been advised that records have been removed and have been taken from that place to another. So I think Mr. [George] Birdwell and Mr. [Jack] Bicket were preparing affidavits to that effect. That's a very serious thing, and it's one of the things we addressed to the court 10 days ago. And that's why I think an appeal has gone out to get our volunteer people back on the job at least watching to see what happens so we have good eyeball witnesses, to watch and see whether any records are being carried out, and what have you. Mr. Bicket, yes?

We have effectively stopped them from removing those records at this point, and we've complained to the DMM staff ... and at this point they have backed off from removing those records.

Nothing was removed then yesterday?

Right.
That's good to hear. We have an absolute paramount interest in maintaining the integrity of our internal control system and the integrity of our records. And I urge each and every one of you to do whatever you can within your power to be certain that that system is not in any way damaged.

Mr. Rader, under the laws of search and seizure, if they remove files from us, isn't that considered tainted evidence because it's not sealed, totally sealed up, that they might be able to tamper with it?

I'm not concerned about so-called tainted evidence. I am concerned, however, about the invasion of our constitutional rights. Our position is that the State attorney general may have a limited right of examination under a certain section of the corporation code. But that does not mean all the rules of due process are done away with. That's one of the constitutional questions we have raised in the courts.

Every time we do something like this, it seems, to protect our own records we get accused of obstructing and not cooperating. Is this holding any water with the court in any way?

I think by the time the really good reporters begin to dig around and begin to observe, you're going to find that the reporting in the newspapers is going to change. You're going to find that the courts are going to realize that it's a different ball game than was pre-

sented to them originally and was presented to them just recently. In other words, we have people who are interested in protecting this organization from physical destruction and fiscal destruction, not to mention spiritual destruction. I see no evidence of any civil disobedience on the part of anybody. But if they have one guard, Mr. Armstrong has said he wants two guards watching the one guard.

And every time we see something, our people will come in with signed affidavits to the effect that they were there. And we'll have our camera and our camera crews, our television crews, our still photographers, keeping a permanent record of what is happening. So in the end we must prevail. There's no way we can lose.

I think the question has been raised before, and you need not answer it in substance, but it occurs to me and probably occurs to a lot of people that there is a particular interest being served in the receivership. Have you located who is the origin exactly of the receivership, what interest they serve, and why they have chosen to breach the usual search-and-seizure procedures in order to obtain those ends?

I think it's fairly obvious to many that there has been an effort on the part of some to at least embrace wholeheartedly the efforts that we have described as unconstitutional. And those people would be the named dissenters. We also know from what Mr. Armstrong has written and what Mr. Armstrong has done since it became manifest to him that there were some highly placed people who were more than willing to collaborate with this effort on the part of the State to unconstitutionally invade the rights of the brethren, and, of course, the rights of the Church.

Whether we want to continue to go back any further to see if any other interests are being served, I don't think it's necessary to even speculate about it now. One thing is certain, however. You'll hear from Mr. [Elli] LaRavia later. We know that dissenters and disfellowshipped members have been seen on the premises in the company of persons representing the receiver.

And I understand from reports given to me that Mr. LaRavia and Mr. Meredith, in a polite formal way, explained that this is something that cannot be tolerated because it is an interference with the ecclesiastical functions of the Church. And they were told if they are uncomfortable about it — that maybe Pastoral Administration should move out of their offices.

And he will give you an affidavit, which will be presented to the court, that will give you a blow-by-blow account of some of the efforts that have been made to intimidate him and others, to humiliate him and others and to disregard his rights, not only as a member of the Church, but as a minister of the Church. This will be part of the papers that will also be forwarded Monday morning — no, this afternoon, I guess — to the State Court of Appeals and will be part of a motion that will be made in court on Monday.

When will the original trial, the main trial, be held?

Well, I would assume it would take a very, very long period of time. I would expect once we get the receiver out of the way that that complaint will fall on its face. And then our complaint will be left in the federal court, and we'll pursue it diligently. Very diligently.

Assuming that the receivership does not go now and assuming that a lot of the members start sending a

substantial percent of the tithes and offerings to Tucson, will you in turn send this money down here to finance operations even though it may not come under the jurisdiction ...

Where do you work?
Postal Center.

Well, that's a good question, and it shows you're thinking.

I wanted to ask you about the fact that Mr. Weisman has ordered a team to go in and find out if there's any bugging going on in the Data Processing. Has anything been found out about that?

I don't know, but I have my own bugging expert at work. So he thinks he's bugged, and we think we're bugged. But I've always said that I don't have anything to hide, so I'm not really concerned about myself. Anything I say can be quoted, anything I say can be printed. I mean what I say and I say what I mean. I've tried to be that way all my life. It's much easier.

Did Judge Weisman call a press conference the other day? And if so, do you know why? He was interviewed on one of the ...

Yes, we have it all taped. We have copies of what went to the news media. And apparently he was complaining about a lack of cooperation. And they asked me and I said I hadn't heard from him, and that I had promised him cooperation. But I had not heard from him. And then he complained that Mr. Armstrong wasn't talking with him. And I told him that they didn't have much common ground.

And I told the media that Mr. Armstrong will be heard in the forums of his choice, not in the forums of someone else's choice. And that if we the members of the Church, those of us who are being paid and entrusted with the responsibility of protecting the rights of the Church can't keep him out of this kind of mess, then we're not very good at all. So he's relying on us — all of us, all of us brethren, all of us working together — not to bring him down to this level. But he'll be heard Monday, Tuesday, Wednesday and Thursday in Tucson where they have the ministerial conference.

And the cameras will be there — the television cameras. And we probably will let the press in also. They'll see Mr. Armstrong in his forum. And one of his favorite expressions, you know, is knocking something into a cocked hat. Well, by the time he's through, any question of his competency and any question about his being senile will be eliminated for the press at any rate.

Will there be any interruption in The Plain Truth publication?

We don't know. At the present we would hope not, but we have to find a way to do that. I don't know which checks are being even processed now. I don't know which checks are being approved. Our reading of the court order, which was very plain on its face when we left on a Friday, was that it was supposed to be business as normal. And the receiver was supposed to only monitor. But now I understand that he's trying to take over all the activities and control not only the assets but activities of the Work. If that be so, there's got to be some interruption.

How about the editing of it?

I haven't heard anything. I don't know whether the receiver thinks he's an editor or not.

I guess Judge Weisman and his assistants who are being paid \$150 an hour, when they lose this case, will we get all that money back to continue with our operations?

I don't know. That's a good question and we would hope so. We would hope that the immunity

that the court gives the receiver when it comes in under a court order, it will not be an absolute immunity. We would hope that everything here will be set aside in such a manner as to have been rendered null and void ab initio, making everyone liable for all conduct that we felt was injurious and irresponsible, and, of course, irremediable. But we don't know. That's a legal question and we have the best minds at work. I've received phone calls from all over the country, people offering legal assistance also.

The \$150 he makes an hour, does he personally receive that?
That's his rate of pay. That's net to him.

Not taken out of that?
No, he gets paid that much per hour. That's his rate of pay. I told Mr. Armstrong on the phone that when this is all over, I'm going to have to ask for a raise. And so he said he thinks he will too.

Is it possible that the court proceedings could be drawn out long enough to threaten bankruptcy for the WCG?

In my opinion, nothing will ever permit the destruction of the Worldwide Church of God. I think that if we do not win the kind of victory at an early stage, that we will find that those material things that we have will not be able to be used in exactly the same manner for awhile. But one way or another, the Church will survive.

The Church is not a collection of buildings, and the fact that we are maintaining a headquarters operation here for the moment is of no great meaning. We all know where the headquarters will be in the world tomorrow. And it doesn't have to be Pasadena, Calif., for now. The world is very big and our members are everywhere, so our spiritual and our human and our financial resources are worldwide. Consequently, nothing can destroy the Church. Someone may try to throw these physical assets into some kind of receivership beyond what it is now. But in the end, they will not succeed.

I'm not referring to the Church as the Church; I'm referring to that as a corporate name or something that we do business under.

There is a possibility that from a technical sense we may already be there. That's the way we're being treated by other creditors because the minute the receiver came in, he disturbed the very delicate equilibrium between our current assets and our current liabilities, as a matter of fact, our quick cash.

And you can be bankrupt, you know, by having your assets exceeded by your liabilities, which is not the case. Or you can be bankrupt in what we call the equitable sense, if you're unable to meet your obligations as they mature. But I think, if that occurs, you'll find a federal bankruptcy court involved and a federal receiver involved. And then we would have some kind of technical problem to overcome, but it may even work to our advantage. This is one of the things being studied at the present.

Let's say that we win the case, you know, this next trial, and then we don't have to go to the next ...

You mean if the State Court of Appeals should vacate the receiver? Yes, if that happens then you have two suits outstanding. You have the attorney general with six former members of the Church suing us for an accounting and for a receivership, which we have lost on, and to revamp the structure of the Church.

Okay, so given that, if that happens, and we go to the next trial, okay, that might take a long time.

A long time, but we will be able (See FORUM, page 4)

FORUM

WITH STANLEY R. RADER

(Continued from page 3)

to conduct our affairs in the normal manner. Some of us involved in the higher echelons, perhaps, would have to spend more time giving depositions, things of that nature, but it will just be a legal battle. But I would expect the State's action to fall because I feel that it should fall by its own weight.

Our own action is much more serious. We are an injured party. Everyone here knows we have been injured. Everyone knows our rights have been violated and some court will understand that.

How on earth could they possibly justify their motives when thinking that we're resisting them when they cut off all legal possibility of our defending ourselves, rip off our own money and then say that we're resisting?

Let me tell you what happened, okay. Let me tell you how Mr. Armstrong was tipped off that something wasn't quite right. When Mr. [C. Wayne] Cole and Mr. [David] Antion and others went to him on the evening of the first night, they tried to convince this remarkable man, this man who, under Christ, has accomplished all of this as the spiritual leader of this Work; they tried to convince him that he ought to let the plaintiff's attorney represent the Church. They never had to say any more — never. All the rest of what they said was just further cause for him to do what he had to do two or three days later.

But the idea that we were being sued and we should let the people who are doing the suing represent the Church was unconscionable. But they almost got away with it, they thought. They really did think so.

What they didn't know, was that before those people went down there, we knew they were going because Mr. Armstrong called us, and he said it's very unusual because they want me to leave my home. They want me to meet them in a motel. And I refused, of course. And then he called me that evening, and he told me what he had been forced to sign. But he says, don't worry. He said, I wrote it in such a way that all it will do is cause those persons who have something else in mind to expose themselves. And little did he know how well it would be exposed.

So he, you see, grasped immediately not only the injustice, but the impropriety of suggesting that someone else defend us. In other words, if you're attacked, you defend yourself. And Mr. Armstrong is the spiritual head of this Work, and he has defended us ably all that time, with the help of some people. I'm just one person — Mr. Helge and others.

But by the way, we could never have defended ourselves this well thus far without the total support that we've had from the brethren. I mean, we could not have done it. There would not have been enough hands to even collate the materials. And we've been working around the clock, and there are many of the people here who are unsung heroes. When the full story is told, I think you'll all know what we mean.

Then we reached a point where we couldn't even handle the requests for help. In other words, so many people wanted to help, there just wasn't something to get them into right away. So we're at that stage now where the situation is now clarified. The legal battle is being fought; the other problems are being considered. The ministry is strong and vital and at work. The

brethren around the country are being informed of what has happened.

There are pockets where they don't know what's happened yet. For example, we've heard today that some people in Colorado and some people in the Midwest, I think Kansas or some place, only had a little bit of information because the newspaper reports are very sketchy. So it's up to you people to get the word out to them to let them know what has happened, so they know what's going on. We can't reach them all right now.

Has there ever been another case where someone sued the State for millions and millions of dollars and has the State paid off when they lost?

I don't know of any. But I imagine so. I imagine there are many cases where the State has abused its authority, and the attorney general has abused his authority, and they have had to respond in damages.

But that isn't the main reason that we're suing. I mean, we would like to recover the damages, yes, but also we want to bring the entire case into focus for what it really is, not what it's pretended to be.

If there were charges that someone had a right to make about Mr. Armstrong and me and others, there is a proper forum for that. And it had nothing to do with coming in and trying to take over the Church and saying the Church and the property belong to the State. That doesn't make any sense to anybody.

Do you think if the State Attorney General [George] Deukmejian received several hundred letters from the other point of view, do you think that would help our case or hurt our case? In other words, if I and hundreds of others wrote and said, my Church is being hurt, do you think his attention to the matter would help our case or not?

I think every member of the Church should make his voice felt at this time. I think they should write to their senators. I think they should write to their congressman. I think they should write to the attorney general of this state. I think they should write to the President. I think they should write to [U.S.] Attorney General [Griffin] Bell. I think they should write to every newspaper and every magazine of importance. And I think they should deluge these places with mail, letting them know how they feel. That, definitely, I think, should be done.

If the judge should decide because of the funds, finances are being used, and there's no finances for the students to pay their bills, or employees, if he lets us go, do we have any recourse? And second, I've heard a rumor that the judge has suspended the third title for the widows and the orphans in the Church. And what can we do about that?

I heard that some widows were already planning on filing suit, and I wouldn't blame them at all. I think what happened though is when they tried to stop Mr. Armstrong from communicating with the brethren, they grabbed all the mail and that included the third-title checks. So if we have some more widows out there now who the State, of course, is very much concerned about, and that's why they came in here. And those people have not received their checks.

Relative to the original lawsuit filed by the plaintiffs and relative to something you said a few minutes ago about the background issue of them wanting to change the Church government, and it sounds like change the way that the Church is

promulgating the Gospel, is that actually a part of the lawsuit?

That is part of the lawsuit. And we have information that will be adduced at the proper time... to recognize that the thrust of those persons and the support of the State was to attempt to change the government of this Church. They don't like the fact that Mr. Armstrong is the spiritual leader of this Church. They do not like the idea that as the spiritual leader, he has vested in him by the Great God of all of us, powers that devolved on him as the spiritual leader. And they would prefer to give that power to somebody else or to some group.

The second part of my question, why in the world doesn't somebody print that?

Journalism is a very interesting thing. First of all, you have to ask, why do newspapers really exist? The newspapers, when they really have their thinking caps on, remember that they're members of the fourth estate, and that they have a duty to convey information and to convey it accurately. But also newspapers are a business. And they have to sell newspapers and attract advertisers. And people are also people. They write sometimes in the easier manner, rather than digging into the story a bit.

So, consequently, you have the same false headline repeated time and time again by the headline writer, who often has nothing to do with the story. In most newspapers, the headline writer is separate from the person who filed the story. And the lead paragraph will very often print the same nonsense. So it takes a little time for the good reporters to get to work on a good story.

Now, if this story had faded away very quickly, then all the public would have known about were these crazy, wild charges, allegations and a complaint based upon information and belief. And the leadership of the Church would have been damaged, and the Church would have been damaged. But the story is now building. It is building into a national and international story. And, as it gets bigger and bigger, you get bigger reporters, you get better reporters, better journalists interested in the matter. And as the quality of the reporting improves, then the nature of the reporting changes. And that's what you're going to see occur in the next few weeks or months.

I have told the world that I am open for any question. I will give anybody, if necessary, a two-lap headstart in a four-lap race — meaning that I'll get the information out to the world, and then let them go to work with it. Because we want to get to the bottom of the situation. And we want to get the receivers out of here. And we want to get the people who brought about this injustice. We want them to receive just retribution.

Is anything about this going to be in the February 'Plain Truth' or on the radio?

No. The February *Plain Truth* went to press, I believe. That's our anniversary number, our 45th anniversary. Did you get your copy of *The Worldwide News*?

I assume *The Worldwide News* has gone to press and has not been stopped. If it has been, that would be another prior restraint. And maybe the press would begin to worry about freedom of the press, once they learn that.

But *The Worldwide News* is our Church newspaper. It has treated the story (I saw the brown lines) in a very fine manner. They have not tried, even, to hide the terrible headlines, and bad stories that have appeared in certain areas. They've printed excerpts of those

stories. But they've covered it very well. Mr. [Dexter] Faulkner has done a great job. But I imagine maybe the March number of the *PT* will have something in it. And if not, other issues will.

The Worldwide News is presently having tapes being made of it in television production and radio. It has been printed.

It has been printed? Has it gone out?

The Worldwide News is currently being mailed out. We mailed all, I think but about 10,000. We're inserting it into envelopes and sending it first class.

Wonderful.

Mr. Rader, I want to ask you a question, since we're having such a problem with the media. I know that yesterday you had a live interview on Channel 4, and you were on The Michael Jackson Show, although they didn't report changes because only one question got in. Are you planning more of this type of approach?

Yes, because you know, even though we've allowed the press to give you the on-the-spot question, they edit it, and they use only a small portion. Sunday I'll be on *The Sunday Show*, which is aired, I think, between 12:30 and 2 o'clock on NBC. And we hope that we'll have more invitations of the sort where we can at least answer questions for five minutes or six minutes or seven minutes, and therefore let people understand what is happening.

But I really do believe, once the newspapers begin to find out what has happened, that you'll find all the press turned around. In the meantime, there are many public relations people who are interested in helping us and to get the true story out.

We have good friends everywhere, who want to come in and help us. We have other charitable, humanitarian organizations, which we have done much good for, who are rallying to our side now and asking, "What can we do?" And they're sitting down and thinking up some ways to help us to get this thing back on the track.

There's a rumor going around concerning your secretary, that she'd been disfellowshipped at one time. Would you clear that up just for the record?

Who? Which secretary?
Mrs. Virginia Kineston.

Not to my knowledge. Mrs. Kineston was never disfellowshipped.

Mr. Rader, you mentioned earlier that if we can achieve getting the receiver out, that we might be able to bypass the main trial. Okay. Given all the confusion that has gone on, and the people in the Church in the outlying areas are confused. They don't know what's going on, and the question has been raised by the plaintiffs of, supposedly, some improprieties going on. It's my impression — is it not yours also? — that perhaps there will be still some confusion in the Church, if we bypass a trial altogether?

It isn't a question of bypassing it. If we prove that the complaint is without foundation, in factor in law, we haven't bypassed it. We have simply knocked down what would be, in essence, a sham suit. Anyone can sue anybody. We might even turn around, after knocking it down and beating it, and sue the people for malicious prosecution, which is another right that you have, when you are falsely sued without any foundation in the factor of law.

But, as I said, we have nothing to hide. We have been revealing all the things that they have been talking about. The interesting thing is, in their own pleading — in the plaintiffs' own pleading — what they submitted by way of ex-

hibit, were things from our own records, and things which we printed in our own *Pastor's Report*. So they're not dealing with things that we think are bad. They're trying to take what we have done and have tried to interpret it differently and make what is good appear to be bad, and what is right appear to be wrong.

They're not talking about things that have not been revealed to the brethren. They talk about Steuben glass, for example. How many of you have seen pictures of Mr. Armstrong presenting Steuben glass? Well, everybody. So I answered the newspapers and the television.

I said, but how many of you knew that Dwight D. Eisenhower, president of the United States for eight years, gave a piece of Steuben glass every time he visited a foreign dignitary? They didn't know that. That's where Mr. Armstrong got the idea specifically to give Steuben, instead of giving something else. But I said, he had a much greater right to give the Steuben than the President of the United States did because the President of the United States was spending taxpayers' money. Do you understand what I mean?

Then today I talked to a newspaper man from Detroit. And he said, well, he says, what about that bill of \$22,000 from the Plaza Ottenay Hotel? I said, I don't know, there might be one for \$40,000. I said, What's your question? You know, the question doesn't even make any sense. We're not denying that we spent \$22,000 at the Plaza Ottenay Hotel or whatever figure. Those are what our records show. And we were spending it getting the Gospel out.

So all they're trying to do, to use the language of the judge in the court order (and I think I mentioned the other night I was deeply offended by that — much more so than anything else that was said — although Mr. Armstrong and I were accused of pilfering and things of that nature. That didn't offend me nearly as much as the judge saying) Mr. Armstrong and Mr. Rader have spent (I forget the exact word) astonishing or enormous sums for so-called traveling expenses. Now, that to me, showed a complete lack of understanding and sensitivity about the New Testament and about the spreading of the Gospel.

We're not asking him to believe that Mr. Armstrong is Christ's apostle. We're not asking him to join the Church. We're not asking him to tithe. But when he takes what Mr. Armstrong has given so much of, and you brethren have contributed so much for, and he takes our Matthew 24:14, and he calls that "so-called traveling expenses." I get a little bit annoyed because it's spreading the Gospel.

It's not so-called travel expense. Travel is a concomitant of spreading the Gospel, and you must spend money for airline fare, for plane fare, for lodgings and for food. And there is a large entourage that goes with us to make all these things work. But how many of you for one moment — for one moment — would think that Mr. Armstrong is not doing that for the purposes stated in Matthew 24:14? Does anyone want to raise their hand?

Now some of the leaders of the opposition (and for the moment they would be the moving parties) and others would say that there's something about these circumstances that are intimidating. And if someone would raise their hand and say, "That's not spreading the Gospel," that person would immediately be disfellowshipped. Does anyone believe that? Enough said.