

\$10 Million Yearly Goes Into Economy Pasadena Ponders Effect If World Church Leaves

By PAMELA MORELAND
Herald Examiner Staff Writer

With the financial future of the Worldwide Church of God in doubt, many Pasadena civic leaders are worrying about the economic impact on the city if the church moves away.

The controversy surrounding the institution has obscured the fact that the church pumps millions of dollars annually into the city's economy and is a major downtown employer in the city of 100,000.

Herbert W. Armstrong, founder and leader of the controversial fundamentalist church, has threatened to take the church, the missionary foundation and its college, to Tucson, Ariz., away from what he considers to be troublesome California authorities.

Armstrong's threat to move the church came after a judge placed it into receivership when the state attorney general charged that some church officials, including Armstrong, had been mishandling funds. The church is now seeking to overturn the receivership order.

If the church and its related businesses move out, the loss could leave Pasadena in a financial lurch.

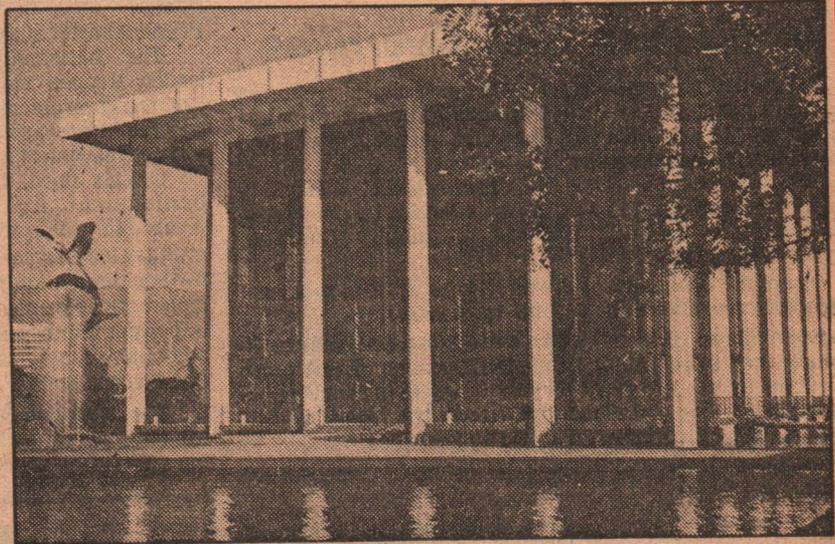
"Ambassador College is one of the major taxpayers in the city and loss of income and revenue would be unfortunate and detrimental to city government," said William Bogaard, member of the Pasadena Board of City Directors.

The embattled church pumps an estimated \$10 million into Pasadena's economy each year through salaries, taxes and supplies purchased from local merchants. Business leaders in the foothill community say they cannot estimate how many millions of dollars in related services the church has drawn to the area.

A church-owned and -operated data-processing center is considered to be one of Southern California's finest. The church's system is so efficient that the city of Pasadena uses it to store some of its records.

A printing plant where two monthly magazines and a weekly newspaper are published and a television studio where the syndicated program "The World Tomorrow" is produced compose another part of the Armstrong empire in Pasadena.

The church also owns 150 to 200



Ambassador College Auditorium has become a major cultural landmark.



The church owns at least 150 residences such as this in area around the campus.

parcels of prime residential property in the Orange Grove Avenue area surrounding the 40-acre Ambassador College campus. Average value of homes in the elegant turn-of-the-century neighborhood is \$150,000.

The Worldwide Church Foundation also has tried to speculate in Pasadena real estate. When the federal government wanted to unload the Vista del Arroyo Hotel, a 200-room gothic structure used as an Army hospital during World War II, the Worldwide Church offered to purchase the building and change it into a dormitory.

It wasn't until public opposition to the sale became vocal that the government decided not to sell the building to the church for \$1.

"To say Pasadena and Herbert Armstrong have become more than cozy companions is to say it mildly," said a Pasadena City Hall staffer.

Now Chamber of Commerce officials are worried that the departure of the church would dump 700 college and foundation employees into the job market.

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CHURCH

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"We can't keep our heads in the sand about this," said Rolfe Arnhym, executive director of the Pasadena Chamber of Commerce. "We have a committee set up within the chamber that would quickly help in keeping the continuity of employment. They represent a sizable number of terms of people who work in our downtown, and we would hate to see something like that happen."

"We hope the church doesn't leave. They have been a good and valued neighbor in this community," Arnhym said.

When Herbert Armstrong decided 20 years ago to direct his empire from Pasadena, he began purchasing property on the western border of downtown Pasadena. One city official characterized the area as being "tacky and run-down" when Armstrong entered the picture.

Using contributions from church followers, Armstrong, his now ex-

communicated son, Garner Ted; and attorney Stanley Rader built a modern 40-acre college campus complete with an acoustically perfect performing arts auditorium and a system of elaborate fountains, all set in a manicured landscaped setting.

"It's a beautiful institution," said architect and Pasadena city board member Mortimer "Tim" Matthews. "They came in and renovated buildings and built new ones. It would be very difficult to find tenants who would keep up the property in the same manner."

Rumors about the fate of the 1,200-student campus if the church does leave have spread throughout Pasadena. Some say administrators at Pasadena City College are eyeing the land as a potential second campus.

Others speculate that USC might buy the showplace and use it for extension courses.

"One time I facetiously said we should try and get Garner Ted back to run the school," said Bogaard. "I don't know if he would receive the same financial support as his father did but I understand that he is supposed to be a very inspirational leader."

Receiver in Armstrong Church Case Quits Complains to Judge of 'Harassment' by Religious Group

BY MICHAEL SEILER
Times Staff Writer

The temporary receiver in the Worldwide Church of God case, citing harassment by church officials, quit the job Tuesday.

Steven Weisman's resignation was accepted by Superior Court Judge Julius M. Title, who said he will name a new receiver by Feb. 21 and asked Weisman to continue in the position until then.

Weisman, in a brief statement during a hearing before Title, told the judge, "I don't need this harassment. I've met obstacles at every turn."

Without being specific about his problems, Weisman told Title, "The difficulty is being caused by the church."

Weisman, under an order from Title not to discuss the church affair outside the courtroom, declined to provide details of the alleged harassment to inquiring reporters.

Earlier, in court, Weisman, a retired judge, said the physical demands of the job and health problems made

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it impossible for him to stay.

Stanley R. Rader, church patriarch Herbert W. Armstrong's chief adviser, was not available for comment on Weisman's charge of harassment.

But in comments prepared for the press, Rader accused Weisman of "gross and unconstitutional violations of the church's constitutional rights."

Rader's prepared statement was not specific on these alleged violations, nor did it respond specifically to Weisman's charge of harassment.

Title, while stressing that the temporary receivership over the church's financial affairs will continue, ordered Weisman to prepare by Feb. 16 a final report and accounting of his six-week term in the job.

The report may provide details of the harassment Weisman claims to have suffered; how much of an accounting of church finances it will make seems questionable.

Michael Clemens, an attorney representing Weisman, said outside the courtroom that Weisman and his auditors were having problems piecing together an exact picture of the \$80

million religious empire's true fiscal standing.

Earlier, Clemens told Title the church and its related corporations were spending between \$300,000 and \$400,000 a day, but taking in only \$30,000 on a daily average.

Hillel Chodos, a lawyer representing the attorney general, told Title, "It's my belief that as of today . . . Mr. Weisman doesn't have control of sufficient funds to meet day-to-day operations of the church."

Chodos attributed this to a campaign by Armstrong, Rader and other church leaders to have members send their tithes directly to Armstrong, who is living in Tucson, rather than to the receiver-controlled offices in Pasadena.

Some indication of what appears to be a growing pile of legal complexities in the case came during Tuesday's hearing when Chodos informed Title of a temporary restraining order issued by a federal judge in Tyler, Tex.

The action, which will be argued in Tyler next week, orders purchasers of the church's property in nearby Big Sandy, Tex., to place \$10.6 million proceeds from the sale in an escrow account, pending further court instructions there. The money is not to be sent to Weisman, the order says.

Title authorized Chodos to, in effect, employ a lawyer there to represent the interests of Title's court and pay that lawyer out of church funds to be released eventually by the receiver.

To someone who questioned why money was so important to make an impression—after all, wasn't Christ poor?—Kathryn Johnson replied with an even broader smile.

"Christ was a very wealthy person, didn't you know that? He was a carpenter and owned several homes."

The money question, which to the state is the central question, drew a variety of responses, including that common denominator, a polite version of mind your own business.

"It's our money," said 19-year-old David Hall, wearing sneakers and jeans as he sat on the backsteps of the administration building waiting for the sheriff's men. "If we're satisfied, why should the state worry?"

While Hall lounged, Armstrong spoke. It was after lunch, and inside the main hall of the administration building, Armstrong's clarion voice was coming to his faithful live from Tucson. He spoke for more than an hour, mingling Biblical teachings with discussions of his own legal plight.

"The Lord Jesus Christ put me in charge of His church and He's able to keep me alive because He wants me here. God will keep me as long as he wants . . . Let's hold onto what we have."

While Armstrong spoke, members walked in and out, a few dozen dozed, an infant used a navel orange as a pillow, and at one point the speaker was interrupted for another message. "Lorraine and Paul Lopez, please meet your appointment at the elevator

Propheteering?

More Armstrong trouble

By any standard, some of the expenses run up by top brass at the 75,000-member Worldwide Church of God were boggling: \$22,571 for a stay at the Hotel Plaza Athénée in Paris; \$12,402 for six pieces of Steuben glass; \$7,509 for furnishings at Church Treasurer and General Counsel Stanley R. Rader's pad in Tucson. In just one year, the lagniappe of church VIPs totaled more than \$1 million.

Worldwide Church expense accounts have been just one element of the latest chapter in the continuing struggle over control of the 45-year-old institution. Acting on behalf of dissident members and California's attorney general, the state's superior court appointed a receiver to take temporary control of the church's multimillion-dollar assets. The dissidents accuse Rader, 48, and the church's head and self-styled prophet, Herbert W. Armstrong, 86, of not only lavish spending but "liquidating the properties of the church on a massive scale." The plaintiffs charge that in the past six months alone 50 pieces of church property, worth millions, have been sold. The attorney general's move

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touched off pandemonium; at one point, staffers at Pasadena headquarters tried to lock out state agents arriving to seize control, then were caught trying to spirit out church records.

Last June, Herbert Armstrong excommunicated his mellifluous TV preacher son Garner Ted, 48, who now operates a 3,000-member offshoot, the Church of God, International, from Tyler, Texas. Since the family fallout, the Worldwide Church has been run by Rader, a lawyer who was baptized by Herbert in 1975. The suit claims that Rader, whose 40-year-old secretary wed Herbert Armstrong in April 1977, may have reaped the profit from the \$1.8 million sale of his Beverly Hills estate, which allegedly was maintained at church expense. The suit also raises questions about Rader's financial involvement in an ad agency, a travel agency and a book-publishing firm that sell services to the church. At a receivership hearing in Los Angeles last week, Rader won the right to look at his records—but only with the permission of a court-appointed official. Says Deputy State Attorney General Lawrence Tapper: "We've termed it letting the wolf inside the chicken coop." But the court rejected Rader's claim it is unconstitutional for the state to interfere in church business.

Rader maintains that he has "a contract [with the church] that protects me no matter who is in power." But who now will protect the church? The founding prophet is aged and frail. Enrollment at its Ambassador College, once 1,120, is collapsing. And a church lawyer claims that tithing has dropped off so sharply among the church's puzzled members that its debts are mounting at a rate of \$1 million a week.



Worldwide Church Treasurer Rader
Pandemonium in Pasadena.

Receiver to Move to New Office on Church Property

1/25 BY JERRY BELCHER
Times Staff Writer 1979

Singing "Onward Christian Soldiers," members of the Worldwide Church of God defied a court order Wednesday and physically barred a court-appointed receiver's top aide and sheriff's deputies from entering the church's headquarters in Pasadena.

But eight hours after the stand-off, a smiling Stanley Rader announced that he and other church lawyers had worked out an "amicable" agreement with receiver Steven Weisman under which the retired judge can carry out his work in another office, but still on church property.

Church Secretary Ralph Helge said that under the agreement, about a dozen boxes of documents will be removed from the fourth-floor administration building office Weisman had been using in his capacity as receiver.

Weisman now will work on the documents in another office on church property in Pasadena, but the exact location was not revealed. Weisman left without speaking to reporters.

He had been denied access to the documents—and the office—since the sit-in and lock-out by church mem-

bers began early Monday.

As Rader, treasurer of the sect, made the announcement of the agreement shortly before 4 p.m., a cheer of approval went up from the 1,000 or so church members who had been occupying the lobby of the administration building.

"The receiver will no longer be officiating in this building," he said. "For three days, our church members have shown a manifestation of concern for the property of the church and the property of God—I believe by

now anyone should realize that the church does not belong to the state."

But he declined to say Weisman's agreement to move to another office constituted a victory for him or church founder Herbert W. Armstrong.

Instead, he said, it indicated that "God is on his throne . . . and the brethren of this church will be heard from."

Shortly afterward, loyalist church members—many of whom had been sitting in since Monday—began leaving the landscaped Ambassador Col-

ledge campus, site of the church headquarters.

Earlier, they apparently had been prepared to be arrested and removed bodily from the administration building, if necessary, in their efforts to block access to the headquarters.

And, before the agreement was finally reached after about two hours of private negotiations between Rader, Weisman and their various aides, law enforcement authorities apparently were just as prepared to make arrests if it became necessary.

About 100 sheriff's deputies had established a command post near the campus. Sheriff's and police helicopters made occasional sweeps over the area. A Pasadena police spokesman had said that 45 of his department's officers were standing by in case of need. But, he said, "arrests will be made only as a last resort."

Meantime, inside the soaring lobby of the administration building, the 1-

Two sets of heavy glass doors barred by timber in doorhandles.

000 members listened to church attorneys advising them of their rights in case they should be arrested.

Another 3,000 members were scattered across the campus and in other buildings in support of the lockout tactic that had thwarted Weisman and his staff from continuing their probe of the controversial sect's \$70 million a year operations.

On Tuesday afternoon, Los Angeles Superior Court Judge Julius M. Title had ordered law enforcement officers

to escort the receiver's staff into the church headquarters.

At 8 a.m. Wednesday, A. Sheridan Atkinson, chief operating officer for Weisman, was escorted to the administration building by two uniformed sheriff's deputies and a plainclothes officer. Weisman, a retired judge, apparently was not present at that time.

The two sets of heavy glass doors at the main entrance of the building were barred by timbers thrust through the heavy perpendicular door handles.

The inside and outside handles had been removed from a smaller front door.

At the rear entrance, a deputy accompanying Atkinson struggled for several minutes to open the door with keys but was unable to do so. Church Deacon Wayne Pyle said later that the door handles there also had been removed to prevent Atkinson's entry.

"This was done so they couldn't get in," Pyle told a Times reporter.

Earlier, in a verbal confrontation with Atkinson, Pyle told the official: "We don't recognize your authority over our church. We should obey God rather than man . . . If you want to come in, you're going to have to break the door down . . . you will have to arrest us."

He also told the official that "you've crippled us," claiming that the receiver had taken \$150,000 in tithing money in the last two weeks. "We're being ripped off," he said. "Our church is being raped."

He added: "You are our enemy but we'll pray for you—we'll pray for God to take care of you."

Atkinson commented, "I believe in the same God they do." But, he said, "They ought to read the 13th Chapter

Receivership stems from lawsuit filed by six ex-church members.

of Romans," referring to the passage that says Christians should be subject to civil authority.

After Atkinson and his escort left, church loyalists in the auditorium heard a message broadcast by their embattled patriarch, Herbert W. Armstrong, from his home in Tucson.

"God is on this throne and will give us victory," said the 86-year-old one-time salesman who founded the church 40 years ago. He recalled that St. Peter had been put in jail and warned "many of you may have to be

subjected to the same thing."

The receivership and Wednesday's confrontation stem from a lawsuit by six former church members, joined in by the state attorney general's office, in which they charge that Armstrong, Rader and other leaders have diverted millions of dollars in church funds and assets for their personal gain.

Under terms of the order issued Tuesday by Judge Title, church members were allowed to continue occupying buildings and picketing as long as they did not interfere with the business of the receiver.

In related developments Wednesday:

—A U.S. Postal Service spokesman in Tucson denied reports that his office was holding up contributions mailed to the Worldwide Church in the Arizona city. He said the church had rented a postal box there and that all mail sent to the sect was being routinely handled.

—In Sacramento, Assemblyman William H. Ivers (R-La Canada), in whose district the church headquarters is located, sent a letter to Atty. Gen. George Deukmejian questioning whether the state should have intervened in church matters before "wrongdoing has been established beyond a reasonable doubt."

Church of God Files for Stay

Attorneys for the embattled Worldwide Church of God filed a petition yesterday with the state Supreme Court in San Francisco for a hearing and an immediate stay of a lower court order, which placed the church in receivership.

The court clerk's office closed for the weekend without any action taken on the appeal by the Pasadena-based church, which has been mired in a bitter fight with receiver Steven S. Weisman since his appointment Jan. 2. The 9th U.S. Circuit Court of Appeals turned down on Thursday another attempt to have Weisman dismissed.

The church's Ambassador College campus in Pasadena was the scene of a sit-in protest earlier this week when several hundred protesters denounced Weisman's presence in the church headquarters

Judge to Conditionally Lift Church of God Receivership

Grants Group 'Final' Opportunity to Cooperate in Court-Ordered Audit of \$80 Million Empire

BY RUSSELL CHANDLER
Times Religion Writer

2/22/79

A Los Angeles Superior Court judge Wednesday said he will conditionally lift a receivership of the Worldwide Church of God to give the church "one final opportunity to show good faith" by cooperating in a court-ordered audit of the group's \$80 million empire.

Outside the courtroom, cheering members of the Pasadena-based church saw the decision as a clear victory in a running battle over the receivership that has been imposed on the church since Jan. 2.

Judge Julius Title said he would order the lifting of the receivership next week. However, he said at the conclusion of the all-day court hearing that his order would be contingent upon alternative plans for continuing the investigation into church finances.

Lifting the receivership would allow the church to resume control of its finances. However, Title made it clear that when he vacates the receivership, he will issue an injunction prohibiting the church from improperly disposing of assets or destroying essential records.

Under the court-appointed receivership, retired Judge Steven Weisman had been in control of the church's assets and had the power to supervise and monitor all its business. Weisman quit as receiver Feb. 6, claiming he could not carry out the

job because of lack of cooperation by church officials.

The receivership was limited, however, and church employes carried out day-to-day church business. The receiver was prohibited from interfering with the church's ecclesiastical affairs.

Title, speaking about the need to continue the audit even though he would temporarily lift the receivership, sternly warned:

"This court is going to be obeyed. If there's going to be interference (with the furnishing of financial records to auditors), I'm going to take a very dim view of it."

Title, who has been the primary judge handling the maze of pretrial court actions involving the beleaguered Worldwide Church since early January, added that he would reappoint a receiver "with full-blown powers" if it should be necessary to complete an accounting of church funds for the court.

The church, headed by Herbert W. Armstrong, who lives in seclusion in Tucson, has been fighting the receivership since it was imposed. On Jan. 2, the California attorney general filed a lawsuit in conjunction with six dissident church members. The suit alleged that Armstrong and his chief aide, Stanley Rader, were diverting millions of dollars of church money for their personal use.

Allan Browne, chief attorney representing the church, pledged cooperation by church officials to aid the audit.

"The records will exonerate those who have been charged," he told church followers after the court ruling.

Title agreed with Hillel Chodos, the attorney for the church members who originally filed the suit, that there had been "lack of bona fide cooperation" with the receiver that had at least partially "frustrated the audit."

However, in making his ruling, Title said he had "some question whether the receiver is accomplishing anything at this juncture." Title said, in effect, that the receiver was only a middleman and that the auditors, working under guidance from the attorney general's office, apparently could handle the same func-

tions in the investigation.

Weisman, the receiver, had retained the accounting firm of Peat, Marwick and Mitchell to comb records of the church, which takes in \$70 million annually.

Title also raised the question of whether the church should be obligated to pay the audit costs. He suggested that the state, through the attorney general's office, should bear the expenses.

The judge added that if church officials subsequently should be found guilty of financial wrongdoing when the case is tried, such costs might then be shifted back to the church. Under the receivership, Weisman was authorized to hire persons and pay them out of church funds.

There was some indication Wednesday that the case itself might be headed for a standstill.

Dep. Atty. Gen. Lawrence Tapper was asked by Title what would happen if his office were ordered to pay the audit costs.

"I can't say the case would be dropped but we can't pick up the price of an audit," Tapper replied.

The recurring theme of church vs. state came up during the long hearing Wednesday.

Several witnesses testified that financial documents asked for by employes of the auditors or receivers were "screened" by church attorneys if it was suspected the documents involved "ecclesiastical matters."

Chodos, representing the state and the dissident members, said that "99% of the so-called ecclesiastical records are really the 'sensitive ones' that church officials did not want to divulge.

Title agreed with that assessment and said he did not consider financial records "an ecclesiastical matter." Withholding of such records from an auditor would be an evidence of "bad faith" on the part of church officials, Title said.

Court Throws Out Church Claim on Receivership

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BY RUSSELL CHANDLER
Times Religion Writer

A \$700 million claim filed by the Worldwide Church of God, charging that a Los Angeles Superior Court-imposed receivership violated the church's religious freedom, has been thrown out by a federal judge here.

U.S. Dist. Court Judge Robert Firth said Thursday that a judgment in the church's favor would "create unnecessary state-federal friction."

The claim for damages was in connection with the receivership—due to be lifted next week—of the church, founded by 86-year-old patriarch Herbert W. Armstrong and church treasurer Stanley Rader.

The receivership will be lifted after Los Angeles Superior Court Judge Julius Title signs orders allowing alternate plans for continuing an investigation into the church's operation. The church then may resume control of its \$800 million-a-year business.

But Title warned he would reappoint a receiver if church officials do not cooperate with the investigation.

A probe was launched last Jan. 2 by the state attorney general's office and six disgruntled church members, who accused Armstrong and Rader of diverting millions of dollars of church assets to their own use.

Meanwhile, the attorney general's office indicated it will not back out of the case.

There had been indication Wednesday, when Title decided to lift an order placing a receiver in charge of the church's financial operations, that the attorney general's office would not pay for a court-ordered audit of church records.

"There was discussion of dropping the whole matter," said Bob Cook, a press spokesman for Dep. Atty. Gen. Lawrence Tapper. "The attorney general (George Deukmejian) made the decision today (Friday) to go ahead . . . There will be an audit by the AG's office."

Cook told The Times the cost of the audit, estimated at between \$100,000 and \$200,000, presumably would now be borne by the attorney general's office, but with a stipulation that the church would pay if its officials should be found guilty of financial wrongdoing.

Such an agreement has not yet been spelled out in court.

Court Places Church Under New Receiver

Citing 'Resistance' by Officials, Judge Orders Books Opened

BY RUSSELL CHANDLER
Times Religion Writer

A Los Angeles Superior Court judge Monday reappointed a receiver over the financial affairs of the embattled Worldwide Church of God, claiming that "incredible resistance" by church officials to an audit made the action necessary.

Judge Julius M. Title had suspended an earlier receivership on March 2—on condition that the church cooperate with the audit through an injunction he had signed. The same day church attorneys appealed the injunction, automatically freezing its implementation.

"The audit must go forward . . . Records and assets must be preserved pending the appeal," Title said in a packed courtroom hearing Monday.

The new receiver, who said he would begin his job immediately, is David L. Ray, 49, a Beverly Hills attorney and certified public accountant with 15 years' experience as a receiver.

Church attorneys, after vainly trying to dissuade Title from reimposing the receivership, said they would post the \$1 million bond Title said would be necessary to stay his latest order.

Posting the bond will keep Ray from beginning his work while the church appeals his appointment.

Hillel Chodos, the attorney who had been representing the six disgruntled church followers who, with the California attorney general, initially sued the church, argued that the bond should be \$80 million or more—the estimated worth of the religious empire founded by Herbert W. Armstrong.

Church attorney Ralph Helge said the organization has "no choice" but to appeal the new receivership.

"It's our only option to defend the constitutional rights of our church and all churches," he told a reporter.

According to Title's order, Ray will be empowered to "take possession and control of the church and all its assets" and . . . to "supervise and monitor" its financial records and transactions.

In essence, the new receiver will have the same powers as the first one, retired Judge Steven Weisman, who quit Feb. 6. Weisman said he could not complete his duties because of lack of cooperation from church employees.

Title stressed that he would not challenge the church's right to appeal either the injunction or the appointment of Ray as receiver.

But he said that when church attorneys asked him to dissolve the first receivership, they promised the interests of the plaintiffs would be

protected and that the church would cooperate with the audit.

After first saying he would cooperate, church leader Stanley Rader Thursday announced that the church would not allow court-appointed auditors to look at church records.

By appealing Title's injunction, the church in effect could have tied up the audit for several years, the normal time for such appeals to be adjudicated.

Title said he "regretted" having to reappoint a receiver, but that he had "accepted on good faith" the church attorneys' arguments that an audit could be done without one.

"Incredible resistance by the defendants to the audit would have to make a reasonable mind suspicious that someone out there doesn't want the audit," Title declared.

But Ellis Horvitz, an attorney representing the 100,000-member Worldwide Church, insisted that the church had shown good faith regarding "a reasonable examination" but was unwilling to surrender First Amendment guarantees of religious liberty in the process.

To say that resistance to the receiver and the audit raise "presumption of guilt is . . . unwarranted," Horvitz asserted.

The original suit charges Rader and Armstrong with diverting church assets for their personal use.

Worldwide Church of God Reverses Self, Says Auditors Can't See Financial Records

BY RUSSELL CHANDLER
Times Religion Writer

In an about-face, Worldwide Church of God treasurer Stanley Rader Thursday announced that the church will not allow court-appointed auditors to look at its financial records.

Rader said the noncooperation policy was based on "instructions from (church founder) Herbert W. Armstrong in Tucson" that there would be "no compromise" with the "unconstitutional and repugnant" court order signed March 2 by Los Angeles Superior Court Judge Julius M. Title.

Title's order suspended a receivership imposed Jan. 2 on the church—on the condition that the church cooperate with the audit.

"I will cooperate fully with Judge Title," Rader had told The Times March 1, the day Title said he would issue the injunction.

Rader, reading a press release Thursday in his office at the Pasadena headquarters of the church, said church attorneys had told him Title's injunction order was "automatically stayed" because the attorneys had

appealed it.

"Thus, the attorney general has no right whatsoever to review . . . the financial affairs of the Worldwide Church of God, Ambassador College or the Ambassador International Cultural Foundation . . . pending the appeal," Rader's statement said.

Dep. Atty. Gen. Lawrence Tapper, who with six disgruntled church followers has accused Rader and Armstrong of diverting church assets for personal use, said he had not seen the church's appeal papers.

Tapper told The Times: "We intend to see that (the church's) current position is brought to the attention of the court and to seek relief . . . We trust their position is without merit."

The appellate court has not heard the church's appeal, filed March 2.

Title, asked whether the appeal would in fact hold up financial review of the church, said he had "no legal opinion on that."

At the time he dropped the receivership, Title said he would reappoint a receiver if the church failed to cooperate with auditors.

"If there's going to be interference,

I'm going to take a very dim view of it," the judge said then.

Rader and other church officials said Thursday that they would broaden their attack on what they see as unconstitutional invasion of the "free exercise" clause of the First Amendment guaranteeing religious freedom to all churches.

Saying there had been a "conspiracy to violate our civil rights," Rader added: "We intend to pursue our remedies in a vigorous and aggressive manner." Conceivably, the well-publicized case could reach the U.S. Supreme Court.

Contending that the suit by the attorney general's office had been "in bad faith," Rader said he had "incontrovertible evidence" that a conspiracy had existed prior to the suit between Tapper, attorney Hillel Chodos and the six former church members Chodos has represented, and several church officers who have since been excommunicated.

Rader, questioned by reporters, would not elaborate on the accusations. "We intend to prove that at the proper time and place," he said.

CHURCH GROUP STAGES SIT-IN OVER RECEIVER

BY RUSSELL CHANDLER
Times Religion Writer

Several hundred members of the Worldwide Church of God staged a sit-in at the Pasadena-based sect's headquarters Tuesday to protest the appointment of a new receiver by a Los Angeles Superior Court judge.

But there seemed to be little chance that the angry followers of Herbert W. Armstrong would confront David Ray, 49, the receiver appointed Monday by Judge Julius Title to take control of the financial affairs of the \$80 million religious empire.

Church treasurer and attorney Stanley Rader told church members,

employees and members of the press at a noon meeting in Ambassador Auditorium that a \$1 million bond would be posted, probably before the day was over. That would stay enforcement of Title's order while the ruling is appealed by the church. The appeal could take a year.

The sit-in was a repeat of ones staged in January to bar the first receiver, Steven Weisman, from entering church buildings. A last-minute compromise then averted a clash between about 2,000 church followers and 200 police and sheriff's deputies. Weisman later quit, citing lack of cooperation from church authorities.

At Tuesday's meeting, church employes were asked to consider giving up part of their pay for the next several months to improve the church's cash flow. Rader said it had been made more acute by the need to post the \$1 million bond to stop Ray from assuming the receivership.

(A church report said the church had experienced a "disastrous decrease" in income since the first receiver was appointed, amounting to expenditures exceeding income by about \$700,000 a week.)

An angry Rader, who is the chief spokesman for the church while Armstrong, 86, remains secluded in Tucson, excoriated newsmen at the press conference for their handling of the Worldwide Church controversy and accused Dep. Atty. Gen. Lawrence Tapper of "lying" to the court and to the people.

Rader also accused Title of trying "to punish the church and its attorneys" by reimposing the receivership.

"He (Title) is a vicious, wrong-headed judge protecting his friends," Rader exclaimed.

(OVER)

Rader released documents purporting to show that the state attorney general's office had falsely accused the church of not making an adequate accounting of its finances.

"We can only conclude that such false charges are further evidence of the criminal conspiracy to deprive us of our rights," a church press release said, underscoring accusations made in a full-page advertisement Tuesday in The Times signed by Armstrong.

Meanwhile, in a message to church members and employees in the college auditorium, church attorney Ralph Helge admonished the faithful not to doubt or question because that is "the tool of Satan . . . Your salvation hangs on your being faithful and not being shaken. Hold on no matter what lies come out."

The original suit filed against the church Jan. 2 by the attorney general was at the behest of six disgruntled church members who charged fiscal mismanagement and siphoning off of church funds for the private use of top church leaders.

Church of God Posts \$2 Million

The power of the receiver appointed to control the Worldwide Church of God's assets was suspended Friday after church officials posted a \$2 million bond and agreed to finance an audit of the organization's records.

3-17-79

"The receiver will be stayed in the performance of his duties, but will remain in office pending further order of the court," said the ruling signed by Los Angeles Superior Court Judge Julius Title.

Title appointed Beverly Hills attorney David L. Ray to the receiver's post earlier this week.

Title accepted the surety bond of \$2,374,307.95 — consisting of church members' pledges of property, jewelry and cars — over the objections of Deputy State Attorney General Lauren Brainard, who said the bond should be in cash.

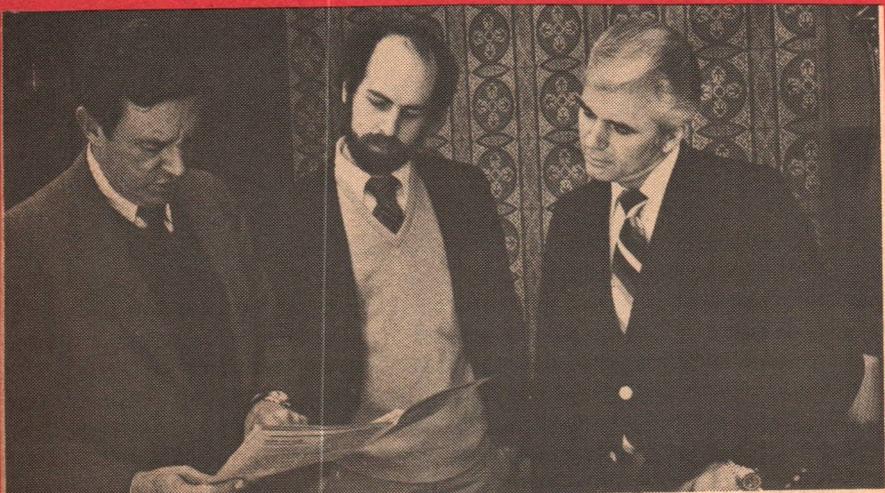
Understandably, it is tragic to see headlines in Los Angeles papers speaking of "punches, shoving and shouting" in a meeting of ministers in Pasadena, with various "factions" pushing and shoving one another—with complaints of shredding documents, or absconding with documents which have been legally impounded, or reports of resistance to legally constituted authority.

Once again, even though the attorney general himself said I was not involved and was quoted as saying this in the newspapers, a letter has come out from my father basically blaming me for the whole thing! I must only bow my head to Jesus Christ and say, "You, Lord, know the *real* truth," and take such treatment patiently, for two wrongs do not make a right.

We have heard, with shock and amazement, that Mr. Armstrong told Mr. C. Wayne Cole he wanted to remove Mr. Rader from the work, and then sent Mr. Cole to headquarters with a signed letter from Mr. HWA stating Mr. Cole was to take charge. The judge approved Mr. Cole's appointment, made by my father (the letter, with my father's signature, was published in the papers). However, only the following day Mr. Rader went to Tucson and returned with a paper completely changing Mr. Cole's appointment, and then announced Mr. Armstrong had fired Mr. Wayne Cole, Mr. David Antion, Mr. Benjamin Chapman, and Dr. Robert Kuhn, and that all four men were now "marked" and disfellowshipped and were to be avoided. People were warned that if they even spoke to any of these four men they would themselves be marked and avoided.

But, enough of the bad news. Things are humming right along here in Tyler, and I'd like to bring you up to date.

January 1979



Mike Wallace and an associate from 60 Minutes peruse the February issue of Internews along with Ted Armstrong.

1979

Armstrong Assails California Courts

TUCSON, Ariz. (AP)—The leader of the Worldwide Church of God, Herbert W. Armstrong, has come out of a month's seclusion to criticize California sharply in an emotional 80-minute speech.

The 100,000-member church is in a bitter battle in California courts over claims that church funds have been spent for personal use.

On Saturday, the final day of the church's Feast of Tabernacles at the Tucson Community Center, Armstrong lashed out on morality, the "government of God" and the government of California.

"If California can win this battle against the Worldwide Church of God, they can do it with other churches," the 87-year-old founder said.

Armstrong told the crowd of about 7,200 that California's courts have been "moved by Satan."

"They are looking at it from human political motives," he said. "They're trying to destroy this government of God."

"The only place today in the world where the government of God is being administered is right here in this church—the Worldwide Church of God."

Armstrong concluded his sporadic references to California, where the church still keeps much of its headquarters, by saying that properties the church holds there will be protected.

Earlier, Stanley Rader, directly below Armstrong in the church hierarchy, told the crowd that the church lacks the physical resources to "resist this machine of destruction"—the courts—but added, "Let there be no mistake. The spiritual resources will overwhelm the physical powers of the state."

"We shall face arrest and trial and imprisonment if need be and even death."

Carrying a magnifying glass, notes and a tattered Bible, Armstrong walked onto the stage moments after a choir sang the "Battle Hymn of the Republic." Waving and smiling, he stood grinning while the crowd rose to its feet and applauded for two minutes. Later he used the glass to help in locating passages in the Bible, the pauses contrasting with the vehemence that characterized most of his speech.

Criticizing society for having done little for "spiritual progress" while it advanced "physical progress," he said morals have declined while divorce and crime have increased.

For many in the crowd, members of which came from all 50 states and several foreign countries, it was the first time they had ever seen Armstrong in person.

They donated an average of \$25.92 for every man, woman and child in attendance Saturday, a total of about \$187,000 in one day.

Earlier in the day, a minister said the money would do the most good in the church, since the stock market was going to crash again anyway.

As the audience filed out of the center, numerous exclamations praising Armstrong could be heard.

"I think he's the most important man on the face of the earth," said Glenn Williams of Woodbridge, N.J.

Church seal unveiled

By Garner Ted Armstrong

We hope you are as pleased as we are with the new seal for The Church of God, International.

Back in the early 1960s my father sent me a complete suit of antique armor he had purchased at Harrod's in England. The armor included a pair of swords, helmet, breastplate, metal skirt, leg guards, and all accessories.

I took the helmet, breastplate, and swords to a custom metalsmith in Pasadena and showed him a sketch

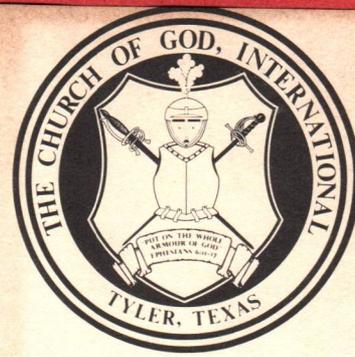
of the wall plaque I had in mind. It featured black and orange leather as a background.

I asked him to work up a metal scroll engraved with these words, "Put on the whole armour of God, the breastplate of righteousness, the helmet of salvation and the sword of the spirit which is the word of God" (from Ephesians 6:11-17).

The finished product was quite striking. I could display the ancient, antique armor and yet effect a biblical motif. It became quite a conversation piece.



Ted Armstrong stands alongside the armor that provided the design idea for The Church of God, International, seal. Photo courtesy of the *Dallas Times Herald*.



Thousand-year-old armor

The armor dates back to the time of William the Conqueror, the first Norman king of England, who lived from about 1027 to 1087. The swords and armor are almost one thousand years old! They appear to have seen use, as one sword has a blemish out near the tip where a portion of the metal was obviously broken away from some cause. Faintly visible lettering and a Maltese cross are also visible on the largest sword. The plaque originally hung on my office wall in the old library building on the Ambassador campus in Pasadena, but was later bolted to the wall of my office in the Hall of Administration.

When I was ousted from my office, friends managed to save some of my personal effects, among them my plaque of armor.

After we moved into our offices here in Tyler, the plaque proved to be a striking wall decoration for our reception area in the front of the building.

Church seal commissioned

A few months ago I commissioned my son Matthew to produce a seal for the church, giving him various ideas and suggestions and asking him to come up with some of his own. After many false starts and various designs, I was looking at the plaque one day and it came to me that the plaque might make a beautiful seal. I sketched out an idea for Matthew — he refined it, and after much hard

Continued on page 11

Further good news: Though I cannot announce the sites just at this moment, it now appears that we will have three separate festival sites for the Feast in 1979! We will send out detailed information including exact locations and confirmation concerning reservations just as soon as final negotiations for contracts are completed.

Concerning 60 Minutes: We sure hope you are able to see the 60 Minutes program. It is to be aired either April 1 or three weeks later. We understand Mike Wallace and his crew filmed many, many hours of coverage and are having a terrible time deciding what they can discard in trying to cut it down for a segment on their regular program. We feel it will be most revealing, and while Mike Wallace bored in and asked very tough and harsh question, I gave forthright and honest answers, and I believe the final result will help clear the air on a large number of major points. We understand the membership of the Worldwide Church of God will be commanded to attend a special "service" of some kind on the night 60 Minutes is to run this program so they will be in services and will not be able to see the program.

That will be a pity for they will miss hearing Stan Rader take God's name in vain before thirty million Americans. He does it to Mike Wallace by saying "by %\$#!" (using God's name) just as casually as if one were to assume he does it all the time as a matter of habit. Interesting conduct for the self-appointed "spokesman" for Mr. Armstrong and the church.

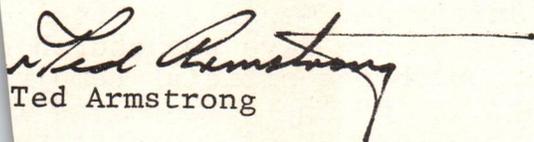
Of course, God does not "categorize" sin! To break *one point* of the commandments is to *break them all!* Taking the name of the Creator who gives you every breath of air you breathe and using it as a curse word is the same as *murder*. Yet I suppose even this incredible exposure of the man's true character that lies hidden beneath will not deter many in the ministry and the membership from blindly following whatever he says.

We will continue to pray for my father by asking that he will come out from under the fear, threats, and terrible apprehension that is being held over his head, and praying that he will ask the whole ministry and the whole church to support him in making the decision he knows he needs to make, and praying that God can still somehow heal the grievous wounds that are daily being inflicted upon the Worldwide Church of God.

Gospel is being preached even though Satan tried to stop it. And though many who were convicted and converted by my voice are being told that my programs are "of Satan" (let those who say such read thoughtfully what Jesus said to the Pharisees about calling the works of the Holy Spirit those of "Beelzebub, the prince of demons" -- He said they were in danger of committing the UNPARDONABLE; those programs are being heard by tens of thousands again, are going out to areas where about two-thirds of the total population of the United States can hear if they know where to find me on the dial!

Thank you very much for your prayers and for your support! God's work is being done; the message of Ezekiel's prophecy is being preached to this nation, and we thank God for inspiring *you* to have a part in that work!

Love, in the name of Jesus Christ,


Ted Armstrong

cc: Dottie Mattson Letter

Armstrong's daughter challenges Stanley Rader

Last night I heard the newscast on TV with shocked disbelief. To think that Stanley Rader could ask people to turn their homes over to the church! First it's give up some pay checks and now it's give their homes!

I would like to challenge Stan to be the first one to dip into that sacrificial pot — then if he has to forfeit on the bond his house can go too!

Stan Rader owns three houses and a stable of horses. (Stan-Wal Ranch in Tucson, Arizona). Most of the people he is asking to sacrifice either rent or live from paycheck to paycheck, meanwhile trying to pay three tithes and eke out an existence to be able to own one house! How many drive a Mazaratti plus a Mercedes Benz sport model and a limo? I think it's high time the sacrifice came from the top — and I am referring to Stanley Rader.

Why is Stan so dead set against the audit of the books by the state? Eventually they are going to do it anyway and, if there is nothing to hide, why all this grandstanding? Every delay, every time he goes to court for an appeal it costs the church more money. (Nearly one half million dollars for just

Dorothy Armstrong Mattson, the author of this letter is one of Herbert Armstrong's two daughters. In addition to the better known son, Garner Ted Armstrong, there was one other son, Richard, also a minister, who died in an auto accident at the age of 29 in 1958.

two months' fees to attorney Brown).

Now we have this latest grandstand play — the bond! And if and when the terms are broken and it is forfeit?

Can't anyone who is unafraid to speak out see what is happening? The church is being drained totally and not too slowly — but surely going toward bankruptcy — and for what purpose?

If in January, when the receivership was ordered, the books had been opened, the audit might have been nearly over by now. All the costs of the many appeals, the loss of credibility and the damage to reputation could have been avoided. The attorney general at no time tried to tell anyone what to preach — they only wanted to see the books.

Why so scared? If there are things in the records that show misappropriation

of monies sent in, then it should be known and dealt with accordingly.

Instead, the lifetime work of my father, that beautiful campus, even my father's credibility is fast disappearing. The notoriety makes me ashamed.

Dad is no longer a young man — he is over there in Tucson in such seclusion he only gets the slant of news that is handed him by the advisor he trusts. Any other person who tries to give a whole picture is branded as a conspirator who is trying to do him harm. It hurts us, his real family, but what can we do? We can't protect him for if we try we will be labeled as "conspirators."

It will be a year next month since I've been able to have contact with Dad — yet when I last saw him everything was fine between us. Now I hear that Dad has been told that I am against him, that I hate him!

I've sent messages by Wayne Cole (before he was axed), Rod Meredith, and Myrtle Horn. I've worried and stewed about Dad's welfare and health. There was a time late last summer and autumn that I even wondered if he were dead and we weren't being told. I couldn't reach him. I couldn't get his

Other voices

SUNDAY, MARCH 18, 1979

◆ A-9

phone number and some of those writings, so scathing, that were being sent out did not have his imitable style.

I was brought up to believe that God is Love. For the past nine months every publication I have seen has been a searing, scathing denouncement of either my brother or of the courts. What has this to do with preaching the Gospel?

Dad is not here. He doesn't know all sides of the picture. Are you people who claim to be such dedicated church members going to stand by and do nothing till the whole life work of the man you all claim to love goes down in bitter gall?

Are you going to stand by and even see his memory ruined with all this needless notoriety?

If there is nothing to hide why spend all your life savings "protesting too much?"

I know that you live in fear of losing your jobs if you stand up and be counted, but if you don't how long do you think your jobs will last? You can't be paid by a bankrupt corporation!

While all you thinking members cower in fear of your jobs, the church is being bled white by mounting court costs that were needless in the first place and now some of you blissful martyrs will no doubt give up your homes not one of you

sit-ins stop to ask, "Why only the rank-and-file are asked to sacrifice?"

The day the campus has to be sold to pay for a continuing notorious and needless squabble and you are all homeless and jobless and the life work of the man you all love is gone, perhaps in hindsight and sorrow you will look back and the light will dawn at last.

This is the most ridiculous and needless thing I can think of. Why don't you say, "Forget the bond. Open the books." Demand the books to be opened. You are a church. If you are without spot or blemish what are you afraid of?

Please wake up before it's too late. I am so weary of seeing our family name being dragged through a fiasco, I just had to say something. If you really love my father put a stop to this three-ring circus.

I am not a church member, as you all no doubt know, but the church, through my family, has always been a large part of my life and I am a most ashamed and concerned daughter who must finally speak out in horror and shock at this latest fiasco.

DOTTIE MATSON

work, many alterations, and finally sending the material out so a metal die could be engraved (which we will use for official papers such as ministerial credentials, future diplomas, etc.), the seal became a reality.

We will be using the seal in the future as a "trade mark" on some of our publications. In the smaller version it would have been impossible to read the full inscription from Ephesians, so we opted for a shortened form, "Put on the whole armour of God," instead.

We hope you like it! □

The Roman Catholic Archdiocese of Los Angeles has asked the state Supreme Court to grant a hearing to the Worldwide Church of God in its fight to keep records from the scrutiny of the state attorney general's office. Declaring that the attorney general's actions "involve an unconstitutional abuse of the power of the government," attorneys for the archdiocese filed the request for a hearing with the Supreme Court. The Pasadena-based Worldwide Church of God and the attorney general are locked in a year-long legal battle, growing out of complaints by former members that church officials have misused church funds. 11-11-79

Worldwide Church hearing urged

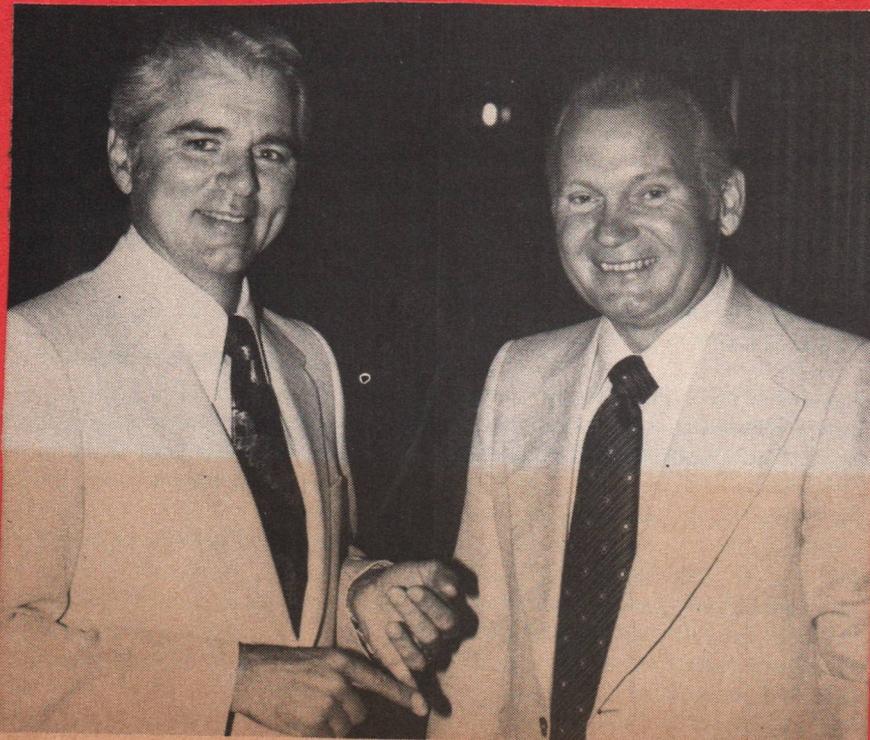
11-11-79

The California Supreme Court has been urged by the Roman Catholic Archdiocese of Los Angeles to grant a hearing to the Worldwide Church of God in its legal struggle to keep its records from falling into the hands of the state attorney general.

Similar letters on behalf of the embattled Pasadena-based church have been sent to the court by the American Civil Liberties Union, the Lutheran Church of America, the United Methodist Church, and at least 10 other organizations.

Attorneys for the archdiocese filed a request last Tuesday with the court, declaring that the attorney general's actions "involve an unconstitutional abuse of the power of the government."

The controversy began last January when the attorney general's office was given permission by a Los Angeles Superior Court judge to place the church in receivership and appoint a retired judge to oversee church affairs.



Ted Armstrong and Wayne Cole converse after services in Tyler.

Worldwide Church loses in court

U.S. justices clear way for state audit of Pasadena congregation's books

By Ron Burns

Herald Examiner staff writer

The U.S. Supreme Court has refused to block a California probe into alleged misuse of funds by officials of the Worldwide Church of God, clearing the way for state

officials to resume their investigation.

"We intend to proceed as rapidly as possible," said Tony Cimarusti, spokesman for state Attorney General George Deukmejian. "We will pursue our efforts to audit church books."

But church attorney Allen Browne called yesterday's Supreme Court action "no decision at all," and added: "We'll continue resisting all orders of the Superior Court and will not turn over any material to the state."

The widely publicized and controversial case erupted earlier this year after church members complained to the state attorney general's charitable trust division that church officials allegedly were misusing funds.

The state sought repeatedly to audit church books and at one point convinced a Superior Court judge to place the Pasadena-based church under the control of a court-appointed receiver.

Church officials, in turn, tried to lock the receiver out, and there were several minor physical scuffles and confrontations. State officials temporarily dropped the demand for an immediate audit pending the outcome of the appeals process and took the receiver

off the job last March when church members posted a \$1-million bond. An estimated 100,000 pages of impounded church documents have not been returned to church officials.

The high court made its ruling without comment yesterday on a church appeal which argued that tactics used by California authorities violated the Constitution's freedom-of-religion protections.

Although the denial doesn't necessarily represent a comment on the merits of appeal arguments, the controversy remains active in California courts and may return to the nation's highest court.

In his Supreme Court brief, Deukmejian said he took the action "to protect the assets (of the church) from fraudulent misappropriation for the private benefit of persons in control."

While the attorney general never formally has charged founder Herbert W. Armstrong or anyone else connected with the 100,000-member church with a crime, some of the allegations listed by Deukmejian involve criminal violations.

In essence, the state has alleged

that Armstrong and several church officials have diverted and siphoned off money from member contributions — some \$70 million a year — for their own enrichment.

Deukmejian alleged in an amended complaint that in 1970, when the Worldwide Church was seeking increased donations due to a "tight money situation," Armstrong was buying a \$6,090 crystal candelabra and French porcelain vases valued at \$2,079 for his Pasadena home.

The 86-year-old Armstrong now lives in Tucson, Ariz.

In seeking Supreme Court review, lawyers for the church and its leaders said the state's case had cost the church some \$5 million.

"Through the device of a receivership, the state has asserted dominion and control over the affairs of the church and has thereby directly involved itself in ecclesiastical affairs," lawyers argued.

The state attacked the basis for that arguments, contending: "The law is not such an ass as to be unable to distinguish between secular matters including fiscal fraud and ecclesiastical belief."

The church was founded 46 years ago by Armstrong, who according to church doctrine is Christ's apostle and ambassador as well as the church's spiritual leader.

Church of God Workers Fired but Offered Jobs

Several Hundred Affected, Including Ministers; Will be Rehired if They Sign Restrictive Contract

By **RUSSELL CHANDLER**
Times Religion Writer

Employees of the Worldwide Church of God have been getting bad news and good news recently.

The bad news: As of April 25, they were all fired.

The good news (sort of): If they sign a restrictive new employment contract (married workers must have spousal approval), a successor corporation will hire them immediately. The action affects several hundred church workers, including ministers.

The Pasadena-based Worldwide Church of God, a California corporation, is not going out of business.

However, it will not be employing anybody, a church spokesman said Tuesday. The new employer has a long name. It is Herbert W. Armstrong and the Apostle of the Churches of God and His Successors, a Colorado Corporation.

Why the changes?

The new entity, qualified to do business in California, is a corporation sole.

That means, according to a lawyer familiar with the Worldwide Church lawsuits pending in state and federal courts, that church patriarch-founder Herbert W. Armstrong, 87, "is the total authority."

"He embodies all the assets of the corporation," the lawyer said.

According to corporation law, a corporation sole (often used as the incorporating means for Roman Catholic dioceses) need not have directors or trustees nor take any votes before acting.

Armstrong, who lives in Tucson, where he has directed affairs of the church for several years, and church treasurer Stanley Rader have been accused of siphoning off church funds for their own use.

Jack Kessler, an attorney spokesman for the Worldwide Church, said Armstrong had been considering moving the church corporation out of California since state prosecutors began investigating church finances in early 1979.

Other states, Kessler said, have

300 Church of God Members Jam Court Hearing on Assets

Nearly 300 members of the Worldwide Church of God, sporting "Religious Freedom" badges, jammed a courtroom, a hallway and exits to the Los Angeles County Courthouse Wednesday as pretrial motions were being heard in continuing litigation over handling of the church's assets.

Subjects of the hour-long session in the sweltering, 70-seat courtroom of Superior Court Judge Thomas T. Johnson were a motion by the California attorney general's office to obtain church financial documents and church motions to prevent state authorities from obtaining documents and depositions from third-party accountants.

Johnson promised to rule later.

Four bailiffs stood in the courtroom eyeing the partisan but orderly crowd that turned out to observe proceedings in the case. The state claims tax-free religious and charitable funds are being diverted to leaders' personal use.

More than 100 church supporters, unable to get seats in the small courtroom, stood packed tightly in the marble hallway or sat on the corridor floor, some with babies in strollers. Another 100 picketed entrances.

Herbert W. Armstrong founded the church as the Radio Church of God in 1934 in Eugene, Ore., then moved it to Pasadena in 1947, where he renamed it and founded the related Ambassador College.

CHURCH OF GOD WORKERS FIRED

Continued from Third Page

"more favorable trust laws."

Kessler added that Worldwide Church assets in California would not be transferred to Arizona or Colorado, however, and that the California corporation is still subject to the current litigation.

Incoming contributions have been going to Armstrong in Tucson since February, 1979. New assets could be acquired outside of California by the corporation sole, according to Kessler.

The firing-hiring notice was distributed to church employees beginning April 25. It does not affect workers employed by Ambassador College, the church's Pasadena school, or employees of Ambassador International Cultural Foundation, an arts-related venture.

The memo to church workers said their last paycheck would be received on May 1. However, the second page said the corporation sole "has learned

of the termination of your employment . . . (and) desires to hire you immediately" under terms of the enclosed contract.

Some employees, including five in the church's television department, have refused to sign the new contract. Several charged it was "restrictive."

In addition to requiring spouses to give written consent before their mates can be hired, the corporation sole contract provides:

—Termination without notice by paying two weeks' salary. There is no severance pay, pension, annuity or other termination benefits "of any kind."

—No outside work, either as a volunteer or for pay, without written consent.

—Twelve annual holidays and two weeks' paid vacation, but vacation must be during the church-observed Feast of Tabernacles, when members

and their families are required to attend meetings at conference sites scattered throughout the country.

The contract also contains several "loyalty clauses":

—"You shall hold in the strictest confidence any trade secret or other information relating to the affairs of the corporation sole or the church . . ."

—Employment "is strictly conditioned on your loyalty . . ."

Employees must promise to release the Worldwide Church from any present or future claim arising from their church job. The release also applies to "any person claiming through you . . ."

At least a half-dozen suits over church employment practices are pending against the church on behalf of former employees or spouses of present ones.

Meanwhile, state prosecutors are examining about 7,000 church documents recently ordered to be turned over to the attorney general by Los Angeles Superior Court Judge Thomas T. Johnson.

The U.S. Supreme Court refused a request by church attorneys to intervene in the case, thus allowing an auditing firm to turn over the financial papers it acquired when the church was placed under a receiver in January, 1979.

The state Court of Appeal, the state Supreme Court and the 9th U.S. Circuit Court of Appeals all had previously rejected motions to prevent state inspection of the documents. Church attorneys have contended the papers were illegally obtained and should not be handed over.

15 Groups Join Church of God's Fight Against State

11/13/79

BY RUSSELL CHANDLER
Times Religion Writer

Worldwide Church of God officials Monday released a list of 15 diverse religious and civil rights groups that have urged the state Supreme Court to grant the church a hearing in its fight to overthrow intervention in its affairs by the state attorney general.

In separate letters to the high court, organizations ranging from the Catholic Archdiocese of Los Angeles, the Unification Church of the Rev. Sun Myung Moon and the National Assn. of Evangelicals seek permission to file "friends of the court" briefs contesting the takeover of church business last January by a court-appointed receiver.

The attorney general's actions "involve an unconstitutional abuse of the power of the government," lawyers for the Archdiocese of Los Angeles said.

The controversy erupted when six dissident members of the Worldwide Church went to Dep. Atty. Gen. Lawrence Tapper claiming that millions of dollars of church funds had been diverted to the personal use of the 87-year-old church founder, Herbert W. Armstrong, and treasurer, Stanley Rader.

Organizations sending letters to the state Supreme Court include the National Council of Churches, the American Civil Liberties Union of Southern California, the Lutheran Church in America, the United Methodist Church and Americans United for Separation of Church and State.

Although the receivership was temporarily suspended when church members put up a bond last spring, five appeals are now pending before the state Supreme Court.

"They ask for relief from the attorney general's demand for records and from the judge's order banning the church from obtaining information from the attorney general," said Morton Jackson an attorney representing the Worldwide Church.

According to a press release from church headquarters in Pasadena, the "outpouring of support signals a growing national awareness of the real issues involved in this litigation . . .

The attorney general's assault upon the Worldwide Church of God represents a grave threat to all churches and, indeed, to freedom of worship itself in California."

The letter for the Archdiocese of Los Angeles, similar in content to the other letters, said that any "wrongful or fraudulent actions" of the defendants "should not be disregarded."

But, the support letter argued, "other adequate remedies are available . . . if appropriate."

"A more complete departure from the long-established constitutional principles and tradition of religious freedom can scarcely be imagined," the archdiocese attorneys told the court.

The attorney general's office, acting under the belief that a public charity is a public trust, has maintained that churches are included and that the investigation does not violate any First Amendment protections guaranteed to religious groups.

The attorney general has based his case on a section of the state corporations code that gives the state agency the authority to investigate nonprofit corporations.

Other organizations that have written the state Supreme Court on behalf of the church are: Methodist Federation Fund, Committee to Defend the First Amendment, Baptist Joint Committee for Public Affairs, Northern California Ecumenical Council, Berkeley Area Interfaith Council, Institute for the Study of American Religion and Alliance for the Preservation of Religious Liberty.

Lee Boothby, an attorney for Americans United, one of the 15 petitioning groups, said the state's action against the church was started at the time of a "political climate that

made it attractive to attack smaller church organizations and organizations that might be referred to as cults."

Jackson, the Worldwide Church attorney, said the state Supreme Court was due to make a decision on one of the petitions, for a hearing involving Armstrong and the production of documents, next week, but that the court could delay its decision another 30 days.

Thousands Spent on Dinners and Gifts, Armstrong Church Document Shows

BY MICHAEL SEILER and BERT MANN
Times Staff Writers

Expensive dinners at Perino's, stays at deluxe hostels around the world and costly purchases at Paris boutiques are among the expenditures made by Worldwide Church of God officials as part of what they say is their mission to "spread the Gospel."

A wide variety of expenditures—ranging from \$12,402 for crystal glass objects to \$2,124 for a purchase from a Hong Kong furrier to \$26 for golf balls as a gift to King Leopold of Belgium—appear on a copy of a church financial document for the 1975-76 fiscal year made available to The Times.

The church's complete financial records detailing these and other similar expenditures are expected to be made part of the official record today when both sides in the heated battle for control of the \$80 million, Pasadena-based religious empire present

their arguments at a Los Angeles Superior Court hearing.

On one side are the state attorney general's office and lawyers representing dissident former church members who claim in a civil suit that the church's 86-year-old patriarch, Herbert W. Armstrong, his top adviser, Stanley R. Rader, and other leading church officers have siphoned off church assets at a rate of "several million dollars a year" and turned them to their own use.

On the other are Rader and his lawyers, who say the attorney general's civil suit represents a massive invasion by the state into "spiritual matters" of the church and who argue that all expenditures made were legitimate and designed to advance the goals of the church.

Armstrong, himself, will almost surely remain in seclusion in Tucson, where he is said to be recovering from a serious heart attack. Since the suit was filed last week, he has expressed his continued faith in Rader and other close advisers to carry on the fight without him.

The 1975-76 fiscal document shows the church spent \$1.7 million on travel, lodging and public relations, including expensive meals and gifts for what church officials claim was the courting of foreign dignitaries.

The lion's share of the money expended was spent by Osamu Gotoh, said to be a former Tokyo cab driver who at that time was the coordinator of church activities in many countries. Gotoh's services were dispensed with after Armstrong had the heart attack in 1977 that curtailed his travel. But other substantial portions were spent by Armstrong and Rader.

Among the items listed were:

—\$564.15 for June 25 and June 28, 1975, meals at Perino's. Only Gotoh's name is listed under the heading "Purpose of Payment" on the document.

—\$38,494.81 owed Trans World Airlines by Gotoh for a globe-girdling trip in August that took him to many of the world's major capitals, including Paris, London, Rome, Geneva, Tel Aviv and Tokyo, with side trips to Addis Ababa and Nairobi.

—\$2,902.03 to cover costs at the Beverly Wilshire for guests described only as "Senator Bunsei Sato" and "Japanese senators." These same visitors also rung up a \$2,588.60 bill at a West Los Angeles limousine service, which the church covered.

—A bill for \$5,739.27 described only as an American Express card bill for Gotoh at the Imperial Hotel in Tokyo.

—A bill to cover Gotoh's Diner's Club card bill of \$1,519.75 for Gotoh in a Japanese night club.

—Another American Express bill to Gotoh for \$6,325.40 to cover expenditure described only as "hotel bill—Switzerland."

—Three bills from Perino's covering an unknown number of meals totaling \$2,304.40.

—Bills from the Hilton Hotel-Jerusalem, paid by Rader on his Diner's Club card, totaling \$10,131.11. The bills are all dated Feb. 25, 1976, but no details are given.

—A Steuben Glass bill of \$12,402 described as "1 Moses, 1 Pyramidon, 1 Excaliber, 3 Pillal of the Griffin." No other description is given nor are the recipients of the gifts stated.

—\$26.12 for "Golf Balls for King Leopold."

—A July 9, 1975, bill from Gucci in Paris for \$1,162.10. No explanation given on document.

—Three Aug. 27, 1975, bills, from Gucci, Beverly Hills, paid by Gotoh's credit cards, totalling \$1,215.82. No further details.

—A December 23, 1975, bill on Gotoh's Diner's Club for purchases from Christian Dior, Paris, of \$645.46.

—Another Gotoh bill, charged to his Diner's Club card, for \$2,124.24 on Dec. 18, 1975, for a purchase, details unknown, from Siberian Fur Store, Kowloon, Hong Kong.

Asked by The Times to explain generally the purposes of these and other expenditures, Rader replied:

"You have to understand we are not like commercial enterprises owned by stockholders where the board of directors is constrained to show a profit or pay dividends. We had a commission to spread the Gospel by radio, the printed word, television and evangelism. This all takes money."

Rader, who serves as treasurer and general counsel of the church, added: "Some people might not agree that this (the expenditures) is the way to spread the Gospel, but we feel it is. I don't believe it is their (the state and dissident members) right to tell Mr. Armstrong he should not give golf balls to King Leopold."

(OVER)

He said he intends to prove in court that the expenditure listed above, plus other financial moves, made by top leadership of the church, represent "an illegal diversion of funds from public use to the personal use and enjoyment of the individuals involved."

In other developments Tuesday, Browne confirmed earlier reports of a church-controlled Swiss bank account and church holdings of gold bullion.

The church has had a Swiss account for 15 years, Browne said, adding that it also has bought gold bullion, which is clearly carried on its books as a church asset.

"Is there anything wrong with that?" said Browne. "Is this the beginning of the state telling the Pope what kinds of robes he can wear or that he should not live in such splendor in the Vatican?"

Tapper scoffed at Browne's likening Armstrong to the Pope.

Tapper said the Swiss bank account and the gold bullion raise questions about the church leadership's honesty. "Does the Pope have a Swiss bank account or does he feel the need for his own private vault filled with gold?" Tapper asked.

Rader said some of the larger expenditures for air travel were chalked up by Gotoh. While Armstrong and Rader normally criss-crossed the globe in the church's Grumman Gulfstream II jet, Rader said, Gotoh did virtually all of his traveling on commercial airlines.

"Mr. Gotoh coordinated many of our campaigns around the world," Rader said. "He became our general campaign organizer and general factotum, setting up appointments and arranging banquets and sometimes motorcycle escorts when we arrived.

"He was always there to meet us when we arrived at world capitals and he was the last man we saw when we left."

Rader said some of the large hotel bills also were due to the fact that sometimes "our entire party, which included Mr. Armstrong and myself and our staff and crew of about 15, had to be accommodated."

In addition, Rader said, Gotoh lived for about 100 days of the year in the Imperial Hotel in Tokyo so that he could make arrangements for church activities in different parts of the world.

"Wherever we (Armstrong and Rader) went in Japan, Mr. Gotoh was received as a man of unbelievable stature in the highest places," Rader said.

Through Gotoh, Rader said, he and Armstrong were introduced to the highest dignitaries in Japan, including the emperor and other members of the royal family and successive prime ministers and members of the government.

Rader noted that he and Armstrong had both received Japan's Order of the Sacred Treasurer for their services in Japan.

Allan Browne, an attorney representing Rader and the church, offered a similar explanation.

"For the past 10 years, in accordance with church policy, Mr. Armstrong and Mr. Rader have spent an average of 255 days each year establishing religious and charitable programs all over the world with their staff proclaiming the word of Jesus," Browne said.

"Enormous sums of money are spent," he added. "Sometimes in meeting with prime ministers and other world leaders, you bring him (the dignitary) something and it may be that it's from Gucci's.

"Many important people have stayed at Stan Rader's home and you don't take them out to MacDonald's, you take them to Perino's."

"This is a \$70 million-a-year church," Browne said, adding that the amount spent on travel and public relations makes up only a small percentage of that total. "Most publicly held corporations spend considerably more," he said.

Browne argued that expenditures by a church should be of no concern to the attorney general's office.

"If the members are told about a program and approve it, what business is that of the state?" Browne asked. "Can the state say that instead of shopping at Gucci's, the church should shop at Bullock's? It is a dark day for religion if that can happen."

Rader said presentations of expensive gifts such as Steuben crystal were made to dignitaries including the late Israeli Premier Golda Meier, President Ferdinand E. Marcos of the Philippines, the Japanese crown prince and several Japanese prime ministers.

Dep. Atty. Gen. Lawrence R. Tapper said it is up to the court to determine the reasonableness of the expenditures, but that his office, "representing the public at large, has the duty to bring matters of this type out."

Students Keep the Faith, Hope at Ambassador

1/11/79
BY BETH ANN KRIER
Times Staff Writer

They seemed remarkably complacent and self-assured for students whose college and church—Herbert W. Armstrong's Worldwide Church of God in Pasadena—are troubled by court battles and internal turmoil.

Classes for the new semester started Monday and continued—except when preempted by the court hearings the students were encouraged to attend (six buses were provided to take them to Wednesday's hearings).

Church services ran a little longer than usual this week. All the food students could eat was still served in the cafeteria. And some students could even be seen with their noses buried in books during the briefing sessions about the latest "wild allegations" brought against the church in court.

Theology students at Ambassador College have been through institutional mud wallowing before, they say. And because they have survived negative publicity about their church leaders in the past—the mass departure of high-ranking church ministers and last year's excommunication of the church patriarch's son, Garner Ted Armstrong—they expect that they and their church will survive again, despite the fact that Worldwide Church of God founder Herbert W. Armstrong and his chief aide and church attorney, Stanley R. Rader, have been charged by the attorney general's office with "pilfering" church funds at the rate of "several million dollars a year" and destroying financial documents.

Of 20 students interviewed on the campus this week, not one expressed doubt about the church or college's future and nearly all felt both would be strengthened rather than

damaged by the court proceedings and internal turmoil.

As one student, a California native who declined to be identified, put it, "We're getting all the bad apples out of this church. The state doesn't bother me—they're just doing their legal duty. We've already won that case."

Enrollment at the college is down from last year, but officials say it is not due to the current stir but to the fact

that the church college ended its liberal arts program last year and now offers only theology programs. Enrollment was estimated at about 1,200 students when the liberal arts program was offered and at about 300 students last fall without it. According to a campus registrar, pre-enrollment figures for the current spring semester listed 323 students

attending the college. Students, however, say that there are actually about 80 or 90 new students but many of them haven't been registered yet as records offices of the college have been shut down.

The campus is a big, extraordinarily opulent one—built and financed by the church's reported \$70-million annual income—and it seems rather empty with but 300 or so students. Apparently the college administrators have some regrets about the loss of the liberal arts students for, according to students, the program will be resumed next school year.

Declined to Speak

A few students declined to speak with the press, which they feel has mistakenly portrayed their prosperity-conscious religion as "an indulgent fanatical, brainwashing cult." And of those who would be interviewed, only two would give their names, the others fearing they would be seen as publicity seekers.

"Religion is the high point of our life. It doesn't mean we're brainwashed. We are no cult," insisted one student.

"I think a lot of people think we're like Guyana," added another. "I've been here four years, and we've constantly been rubbed into the ground. I think it's all gonna come out in the wash and the wash will be clean."

If there is one theme reiterated by the students it is that they are not ruled by Herbert W. Armstrong (they call him "HWA" as opposed to "GTA," his son) or Stanley Rader or any man, but by Jesus Christ.

"I think all the students will say they're not pro-Stan Rader or pro-Judge Steven Weisman (the retired Superior Court judge named as temporary trustee to control the financial affairs of the church). They'll say they're pro-Jesus Christ. The ultimate outcome will be following God's will. It could be God even set this up. The way He works—GTA leaving—it's created a lot of turmoil in the church. I feel God's finally come down and is saying, 'We'll clean all this up and show everybody this is an upright church.'"

Question and Answers

At a Tuesday question-and-answer session for employes and students at the Ambassador Auditorium, nearly all the questions posed to attorney and codefendant Stanley Rader were respectful and sympathetic. The closest any question came to doubting that Rader and Armstrong were innocent was put this way: "The other day in court it appeared the prosecuting attorney was attacking you personally. The information may become public. I guess what I'm asking from you is a reassurance that those allegations aren't true."

Rader replied that he was confident the rec-

ords would reveal no improprieties on the part of church officials. "Figures don't lie but liars figure," he told the filled auditorium.

Asked, "What would be the worst possible outcome should they find anything or think they find anything?" Rader said his mind "really doesn't work that way. I don't think it's productive to think about what could happen if God is not on His throne. We know we will prevail. Some good will always come from the bad."

During the session, Rader confided that his daughter, a newly baptized member of the church, had walked out of church services Saturday because of the "intemperate nature and tone of remarks" made about him. But throughout the session, which he began with a prayer asking for help through the traumas, Rader remained optimistic and reassuring, acknowledging that there were people in the church who were against him because he stood in the way of their "lust for the power of his (Armstrong's) office."

He was asked why church founder Herbert W. Armstrong had not come to Pasadena from Tucson to be with his church administrators. "It would be particularly undesirable for Mr. Armstrong to be pulled down to their level," Rader said, adding that the patriarch is suffering from a severe chest cold and "his voice is pretty well shot."

Quoting the 86-year-old Armstrong as saying, "There are buzzards and vultures hovering, waiting for me to die," Rader replied to an inquiry about why the church's internal difficulties seemed to be coming from the ministry

rather than the membership of the church. "If you're not a minister, you don't have to worry about that (Armstrong's death and appointment of a successor) and how it will affect you because you would not think of yourself as a possible successor."

Rader denied the persistent rumors that he, a layman, is a possible successor to Armstrong, noting that there were two recent deaths of Popes and nobody predicted the successor would be a prominent Catholic layman.

As for rumors that there may be a grand jury investigation in the offing, Rader said, "I don't know anything about it . . . We're not concerned about it."

The Student Attitude

Rader's expressed nonconcern has been widely adopted by the students, though one young man admitted that initially he had been quite troubled by the church turmoil—until he sat down and did some independent Bible study and was reassured by scriptures he found that applied to the situation.

"I wasn't worried in the sense of being afraid," he said, "but worried in the natural sense, anxious about what would come out. But whatever is true, let it come out. We pretty much believe God is in control of the situation and it will all work out for the best."

As for the rift between Garner Ted Armstrong and his father, most of the students said the excommunication (disfellowship, in church parlance) of the younger Armstrong has been good for the church.

OYER

AMBASSADOR AUDITORIUM

MADE POSSIBLE BY GIFTS FROM
THE WORLDWIDE CHURCH OF GOD

DEDICATED TO THE HONOR AND GLORY OF
THE GREAT GOD

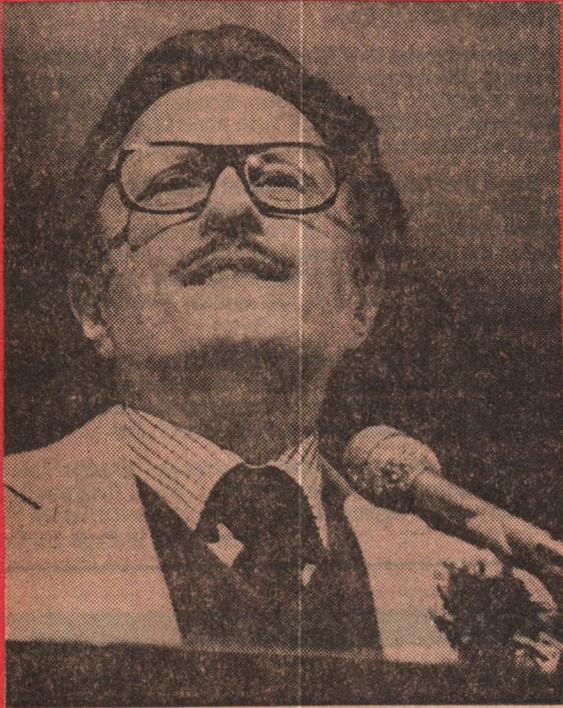
AMBASSADOR DEDICATION—Auditorium is site of recent student meetings.

"I think we've seen some progress since he's left. He was watering down everything his father built up. He tried to come across with things the way man would see them instead of the way God would see them," said Linda Mitchell, a student from Sacramento.

Added her friend, Renee Roper, "We still love him as a past member because we knew him as a power in the church that God used. We pray and we're concerned and hope that maybe someday he can right his wrongs and be forgiven and come back."

In Ms. Roper's view, there is a lot going on in the church that the students don't know about, but that is no reason for them to doubt or despair.

"That shouldn't matter to us as long as we have faith. We shouldn't be blocked by things going on between higher-ups. In the Bible, it shows that any wrongdoing should come out and be corrected. It's prophesied that there will be persecution. This isn't the end of our church, it's just the beginning."



STANLEY RADER

"... We know we will prevail."

Motion to Lift ^{1/11/79} Receivership on Church Denied

BY MICHAEL SEILER

Times Staff Writer

The efforts of attorneys for the Worldwide Church of God to get their \$80 million religious empire removed from a temporary receivership seemed to go nowhere in court Wednesday.

Los Angeles Superior Court Judge Julius M. Title denied a motion by church lawyers seeking to remove the receiver and ordered the lawyers to return \$39,000 of the \$60,000 in retainers they had earlier drawn from the church's treasury.

The judge—though he emphasized he was not implying any wrongdoing on the part of lawyers for the church—seemed to imply they were acting too quickly to take too big a chunk of the crumbling Pasadena-based empire's treasury.

Title said the lawyers should, in effect, work on a pay-as-you-go basis. "I don't think a retainer is proper . . . when you're dealing with trust funds," the judge said.

Title also showed little sympathy for the argument made by Allan Browne, chief attorney for the church, that the church stands on the brink of financial ruin because of the court-ordered temporary receiver.

Browne said the church and its affiliate college and cultural foundation were having problems meeting their payroll because the United Bank of California has called in \$1.3 million in demand notes owed by the church to the bank.

Armstrong Aide Testifies on Perquisites

Had 3 Homes at Once, All Financed by Church, He Says

BY MICHAEL SEILER
Times Staff Writer

Herbert W. Armstrong's top adviser, Stanley R. Rader, testified in court Thursday about the considerable perquisites granted to the right-hand man of "God's apostle."

Rader, the 48-year-old treasurer and general counsel of the dissension-wracked Worldwide Church of God, called his absent mentor "God's apostle, Christ's representative here on earth," then, under questioning, proceeded to discuss his own financial position.

Rader—who, along with the 86-year old patriarch has been accused by the state attorney general's office of looting the church's treasury and real estate assets—admitted that in recent years he has had three homes simultaneously—in Beverly Hills, Pasadena and Tucson—all initially financed by the church.

Rader said he sold the Beverly Hills home, which was purchased by the church in 1971 for \$460,000, for \$1.8 million seven years later.

The church sold the home to Rader in 1974 and, the attorney general contends, he made a sum approaching \$1 million on the deal.

Asked by reporters about the deal during a break in the testimony, Rader summed up the situation this way: "Buy low, sell high. I don't take 'stupid pills,' you know."

In other testimony, Rader said the other two homes were purchased by the church for his use—the house in Tucson for \$150,000, the Pasadena home for \$225,000.

Rader said he is working for the church under a contract that paid him \$200,000 a year, plus expenses. Under the contract, if Armstrong dies or grows too infirm to rule, or if Armstrong feels no further need for Rader's services then Rader would be paid \$100,000 per year plus expenses until the year 2003.

Under questioning by representatives of the attorney general, Rader carefully pointed out that the Aston Martin and Porsche pictured in front of one of his homes in a recent issue of People magazine were paid for by him, not the church.

Rader was more vague when discussing another aspect of his life—the law firm, accounting firm, advertising company and aircraft-leasing outfit he set up as separate corporations designed primarily to service the Armstrong religious empire.

Rader was not questioned closely about the four firms—the first two of which bear his name, among others—but an associate in the accounting firm had more to say later in the day long hearing.

William Kessler, a certified public accountant and lawyer active in the accounting company, was asked by the attorney representing both Rader and the church if Rader benefited in any way from the firm.

"No. . . he's not a partner or an employe," Kessler said. Kessler said he and the other partners merely "bought" the company from Rader, not for money but for "an exchange of promises."

"We promised him to service his clients (primarily the church, Ambassador College and Ambassador International Cultural Foundation) to the best of our abilities . . . and he promised us not to compete with us and that we could use his name."

What, if any, profits Rader has made from the four companies remained unclear as the hearing adjourned late Thursday afternoon.

Rader would only tell reporters in a hallway of Los Angeles Superior Court that Armstrong had personally approved of Rader's involvement in the companies.

The Rader testimony was the high point of a day of testimony from more than a dozen witnesses. Most shed little, if any, light on the tangled affairs of the church.

Noticeably absent during the second full day of hearings this week was the patriarch of the \$80 million, Pasadena-based organization, Herbert Armstrong.

Still, apparently, in seclusion in Tucson, and out of reach of a subpoena from the attorney general, Armstrong's only appearance in court Thursday was via an 18-minute videotaped, church-made promotional tract.

It showed Armstrong espousing his views and visiting with world leaders during a 1974 trip overseas. The tape was presented as evidence by church attorneys, apparently in an attempt to show that the patriarch is still an agile-minded and robust religious leader.

The second point the attorneys seemed to be making was that Armstrong did, indeed, on occasion present ex-

pensive gifts to foreign dignitaries. The Times, in a story earlier this week disclosed the purchase of gifts from luxurious Paris shops by church leaders on their expense accounts.

Armstrong, like Rader and other Worldwide church leaders, stands accused by the state and church dissidents of siphoning off church funds at the rate of several million dollars a year for their personal use.

The church has been placed in a temporary receivership and this week's hearing, which continues today, is designed to determine whether the receivership should be continued or dropped.

Judge Julius M. Title, after having heard testimony that the receivership has done considerable damage to the church's standing with banks and other creditors, ordered lawyers for both sides to come up with possible alternatives to the receivership—possibly injunctions limiting the power of the leadership, or even a sort of referee-receiver arrangement to ride herd on the Armstrong empire.

Armstrong is expected to be in Pasadena Monday for an assembly of Worldwide Church of God clergymen.

It is unclear whether agents for the attorney general will attempt to subpoena him at that time.

Browne claimed the church spends about \$1 million a week and collects about the same amount from its nearly 100,000 members. The receivership imposed last week "makes members unwilling to tithe," he said.

And, he said, "a million dollars worth of checks have been bouncing . . ."

Browne's arguments came in a hearing on a lawsuit filed by the state attorney general and lawyers for excommunicated church members claiming the church's patriarch, Herbert W. Armstrong, and his right-hand man, Stanley R. Rader, have diverted funds of the church, a charitable corporation, for personal use.

Testimony will begin today as the hearing continues. Title still could remove the temporary receiver—or if he finds some validity to the state's claims, impose a permanent receiver.

Though Armstrong remained in seclusion, apparently at a church-owned residence in Tucson, Rader was present in the courtroom, thumbing through a Bible as the hearing progressed.

Herbert W. Armstrong's charismatic evangelist son Gardner Ted was also absent. The young Armstrong, excommunicated last year by his father, now has his own church in Tyler, Tex.

Garner Ted—considered by some observers still the single most popular figure among Armstrong followers—issued a stinging blast at Rader in an interview with the Dallas Times-Herald.

Garner Ted termed Rader, treasurer and general counselor of the church, "an evil man" who is chang-

ing the organization into "the church of hatred."

Garner Ted said his 86-year-old father's mental abilities have diminished markedly and charged that the elder Armstrong has fallen increasingly under control of Rader and a group of "right-wing, reactionary" ministers who "would have us in uniforms and jackboots."

\$1.3 Million Note Called In

11 1/2 /99 Church of God Feels Squeeze

A leader of the Worldwide Church of God, embroiled in a court battle over allegations of financial wrongdoing, said yesterday that United California Bank has called in a demand note on the church for \$1.3 million, and the church is unable to meet its payroll.

Stanley Rader, chief adviser to church patriarch Herbert Armstrong, told reporters at the end of a court hearing that the bank had withdrawn \$1.3 million from the church's account in the wake of the appointment of a receiver to oversee church funds.

"The United California Bank had a demand note for \$1.3 million, which they could call in any time and which they did," Rader said.

He added that he believed that the church would not be able to borrow \$1 million in operating capital, as it had planned to do.

"The immediate effect of the receivership was to hurt the church by \$2.3 million," Rader said. "Today the payroll has to be paid and we don't know if there are adequate funds."

At various times during a court hearing, Rader's attorney, Allan Browne, said that the church is definitely unable to meet its payroll. Both men refused to say how much the payroll is.

The church has boasted frequently of its accumulated wealth, but Rader told reporters, "I can tell you with absolute certainty that the basic accumulated wealth of the church has been gathered in real estate. Without the tithes of church people, there is no money to run a day-to-day operation."

Meanwhile, Superior Court Judge Julius M. Title delayed ruling on whether the church would continue in temporary receivership. He said he would hear testimony today from witnesses, including Rader.

However, the judge did rule on a technical point — saying he does have the right to place the church in receivership even though it is a religious organization.

Title also ordered Browne and another lawyer to return to the church a total of \$35,000 paid to them Tuesday night as retainers for representing the church, Rader and Armstrong.

The judge let the lawyers keep a total of \$25,000 for services already rendered, but said it was improper for a lawyer to accept a retainer in such a case. He said they should be paid after their work is completed.

Browne had presented his arguments against receivership at yesterday's hearing to determine the merits of a lawsuit filed by the state attorney general and six church members against the church and the church's Ambassador College and Ambassador International Cultural Foundation. The suit claims Armstrong and his top aide, Rader, have diverted millions of dollars in church funds for personal use.

Armstrong Case Focuses on Church-State Relations

Attorney General's Lawyer Counters Religious Group's Claim That Receivership Violates Its Rights

1/30/79

BY MICHAEL SEILER
Times Staff Writer

The delicate legal question of church-state relations came to the fore Monday as lawyers for the Worldwide Church of God and the California attorney general argued conflicting motions in federal court.

Allan Browne, chief attorney for the church, charged that the attorney general and the Superior Court here violated the church's constitutional rights of freedom of religion and speech by placing a temporary receiver in charge of the church's financial affairs.

In a sometimes impassioned plea, Browne urged U.S. Dist. Court Judge Robert Firth to take into account the mood of the times in California.

Browne suggested that the attorney general and state courts had intervened in the affairs of Herbert W. Armstrong's church because of adverse public reaction to the recent doings of other California-based groups.

But the Worldwide Church of God "is not a cult," Browne said. "It's not a Jonestown . . . a Synanon or Church of Scientology."

Instead, Browne said, the church is "a true Christian religion . . . not on the lunatic fringe at all."

Hillel Chodos, arguing the attorney general's case, did not see it that way.

He claimed that Browne was, in effect, arguing that "if a man comes into court and says stealing is my religion, there's nothing you (Judge Firth) can do about it."

Chodos, in that remark, apparently was referring to the church's claims that Armstrong and Stanley R. Rader, the patriarch's top adviser, needed to spend large amounts of money in their efforts to spread the Gospel around the world.

Chodos' next comment seemed directly aimed at Rader, who has been accused by the attorney general of profiting on the sale of a house, financed for him by the church.

"The vicar of Rome does not transfer Castel Gandolfo (the Pope's palace) into his own name, sell it and pocket the proceeds."

Chodos asked Firth to leave the matter in the hands of the state court system whose members, Chodos added, are sworn to protect the First Amendment guarantee of separation of state and religion.

There were two actions under discussion during the two-hour hearing. One was the church's attempt to remove the temporary receiver.

The second was the attorney general's effort to set aside a suit against

his office lodged by the church, claiming \$700 million in damages because of the receiver's operations.

Both actions grew out of a suit filed in Superior Court Jan. 2 by the attorney general, which charged Armstrong, Rader and other church officials with looting the church treasury at the rate of several million dollars a year.

The hearing in federal court Monday was the latest in a series of legal maneuvers resulting from that suit.

Firth took the two matters under advisement without indicating when he would have a decision.

Though the California Supreme Court has before it another motion by church lawyers to remove the receiver, the immediate focus of the legal squabble now shifts back to Los Angeles Superior Court.

Attorneys for the church are attempting to have Superior Court Judge Julius M. Title removed from the preliminary stages of the case, which may go to trial later this year. Title is the judge who laid down the broad ground rules for the receivership, rules to which the church objects.

Meanwhile, the attorney general is attempting to obtain depositions from both Rader and Armstrong. Armstrong has remained in Arizona, out of range of a subpoena in the civil case.

Shortly after the federal court

hearing, about 60 dissident church members and "disfellowshipped" (excommunicated) former members held a demonstration at the church's data processing center in Pasadena.

Howard A. Clark of Oroville, who said he had been a minister of the church for 25 years, told reporters he was disfellowshipped 10 days ago after expressing disapproval of church leadership.

Clark said members are being "lied to, manipulated, bullied and coerced" by their leaders.

Later Monday, lawyers for Rader filed a slander suit against Garner Ted Armstrong, seeking \$551 million in damages.

The suit alleges that Garner Ted—the disfellowshipped son of Herbert W. Armstrong—in effect accused

Rader of a conflict of interest by stating that Rader, while a church official, served in an accounting firm that audited the church's financial records.

Rader denied the charge in his suit.

Rose Bird to Appoint Judge in Church Receivership Case

Both sides in the Worldwide Church of God receivership case agreed Wednesday to let state Supreme Court Chief Justice Rose Bird name a Superior Court judge to handle further pretrial matters.

The selection was referred to Ms. Bird, chairman of the state Judicial Council, by Los Angeles Superior Court Judge David N. Eagleson after he rejected a move by church attorneys to informally recommend a judge from outside Los Angeles County.

"You don't pick a judge out of another county to hear our cases," Eagleson told church attorneys in referring the matter to Ms. Bird.

Egleson had been asked to remove Los Angeles Superior Court Judge Julius M. Title, contending Title was prejudiced in favor of the court-appointed receiver.

Accounting Firm Sues Garner Ted Armstrong

The accounting firm that audited the books of the beleaguered Worldwide Church of God Wednesday filed a \$13 million slander suit against Garner Ted Armstrong, the disfellowshipped son of church patriarch Herbert W. Armstrong.

Rader, Cornwall, Kessler and Palazzo, in filing the suit in Los Angeles Superior Court, claimed the younger Armstrong accused it of unethical conduct by saying he had "very grave misgivings of conflict of interest" on the part of the firm.

Armstrong was apparently referring to the connection of Stanley Rader to the firm. Rader has maintained that the connection is in name only since he rose to become a top associate of the 86-year-old Armstrong.

Rader filed a similar slander suit asking for \$551 million Monday.

Church of God Appeals to High Court

SAN FRANCISCO (AP) — The troubled Worldwide Church of God asked the California Supreme Court yesterday to remove a court-appointed receiver who has taken control of its \$80 million in assets.

It requested a hearing on a Jan. 12 Los Angeles County Superior Court order naming a temporary receiver. The Court of Appeal refused to intervene last week.

The high court also received a petition from the Pasadena-based church Friday seeking an immediate stay of the order.

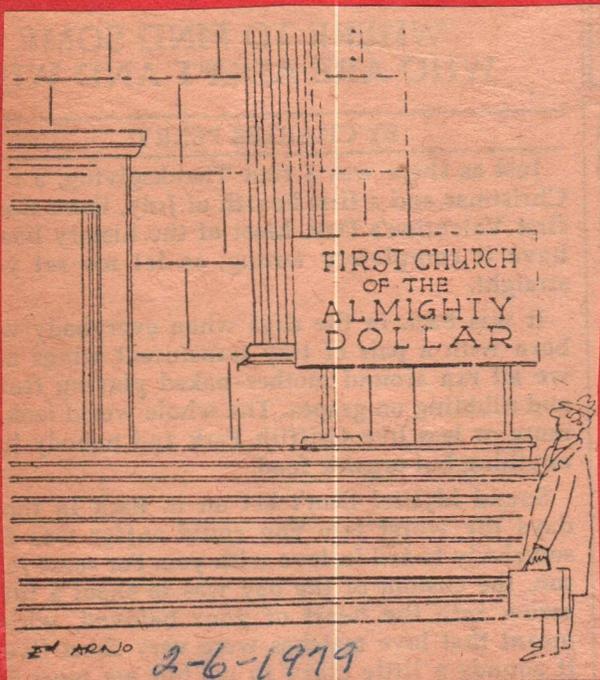
The latest petition contended that appointing a receiver to "assume control of assets and operations" of a church violates the federal and state constitutions.

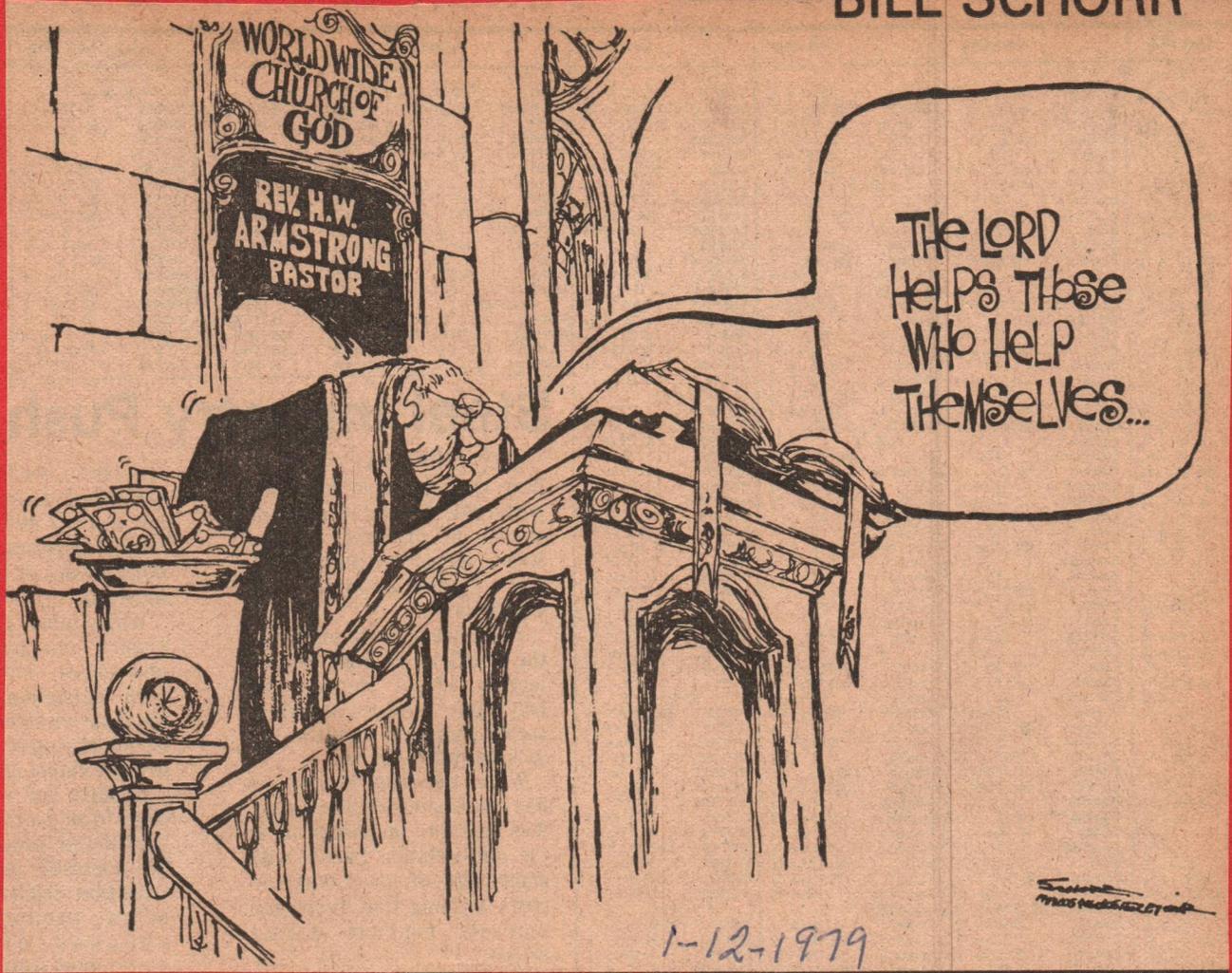
Meanwhile, in Los Angeles, U.S. District Judge Robert Firth took under submission a state petition to have a countersuit by the church dismissed.

The church's federal suit, filed Jan. 12, seeks \$700 million damages from the attorney general's office as well as a court order declaring the Los Angeles Superior Court ruling unconstitutional.

Also the chief adviser to the controversial leader of the Worldwide Church of God yesterday filed a \$500 million slander lawsuit against an ousted member of the church.

Stanley Rader, whose Superior Court petition lists him as treasurer of the church, asserted Garner Ted Armstrong impugned his loyalty to the church.





Receiver Takes Over Armstrong Church Judge's Order Intensifies Battle Between State, Religious Empire

BY MICHAEL SEILER
Times Staff Writer

A Superior Court judge Friday ordered a temporary receiver to "take possession and control" of the Pasadena-based Worldwide Church of God in an action that seems certain to set up a major legal confrontation between the church and the state of California.

Judge Julius M. Title ruled that receiver Steven Weisman is to assume all administrative powers over the \$80 million religious empire of Herbert W. Armstrong—including the church, Ambassador College and Ambassador International Cultural Foundation.

Title hedged his order to continue the receivership with an admonition to Weisman to stay out of "ecclesiastical affairs of the church," presumably meaning Weisman is not to in-

terfere with matters of faith, doctrine and clerical promotion.

"I'm leaving it up to you," Title told Weisman, a retired Los Angeles Superior Court judge.

Title told Weisman he can hire and fire, whomever he wants—with two major exceptions.

Weisman cannot remove from the church payroll Armstrong, a self-proclaimed apostle of God, or Stanley R. Rader, Armstrong's chief adviser, without first obtaining the court's permission.

The church's chief attorney, Allan Browne, vowed at the end of the three-day hearing to appeal the decision immediately to both state and federal appellate courts.

Browne called the decision "a total abrogation of the First Amendment," denying the constitutional guarantee of separation of church and state.

He said he would file petitions for appeal Monday morning.

Whether or not the petitions are granted, Title's decision opens the way for a continuation of the legal battle that has been raging since Jan. 2, when the state attorney general first filed suit.

That suit charged Armstrong, Rader and other officers of the church and its affiliates with siphoning off millions of dollars a year in church assets for their personal use.

Weisman was named temporary receiver the next day, but up to now, his powers have been severely limited by several Superior Court decisions and what Weisman and representatives of the attorney general called a lack of cooperation by church officials.

The court-appointed receiver will

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Judge Orders Receiver to Take Control of Church

Continued from First Page

now stay in charge until a full-scale trial is held on the merits of the attorney general's suit.

Title ordered that the coming trial have priority on the court's calendar, and estimates from attorneys on both sides of the case concerning the delay until the trial begins range from one to six months.

In handing down his decision, Title admitted he was imposing on the church "a hard and drastic remedy."

But, he added, the evidence given in the hearing had indicated to him "some possibility of truth" in the state's charges.

The state, Title said, had failed to back up its charge that Armstrong, Rader and others were selling church-owned real estate at prices far below market value.

But the state did succeed in raising "serious question" about the use and transfer of other church assets, he said.

Title said he was concerned by "the astonishing amounts of money" spent by Armstrong and Rader on global travel, accommodations and gifts.

Title also said there had been "enough in the way of questions raised" concerning Rader's apparent conflict of interest between his church positions of general counsel and treasurer and his self interest.

Title pointed particularly to a corporation Rader set up to purchase and lease planes to the Armstrong empire, his acceptance of three expensive homes purchased initially by the church, and Rader's employment contract of \$200,000 per year plus expenses.

Title said the contract went into effect "with no apparent approval of anyone except Mr. Armstrong."

The judge added: "I question the legality of his present employment with the church."

Under the laws that govern charitable trusts in California, there is sufficient cause to doubt the legality of some actions by Armstrong and Rader, the judge said. "The trial court has to make a full inquiry into this situation," Title said.

Title ordered Weisman "to conduct a thorough audit" of the church, school and foundation's books immediately and "review all allegations of malfeasance and neglect."

He told church officers to "refrain from interfering with the receiver" and ordered them not to attempt to dispose of any further church assets.

Hillel Chodos, head attorney for the plaintiffs, called the outcome a victory for the attorney general and the excommunicated church members who joined in the suit.

Chodos explained he could not subpoena Herbert Armstrong because the 86-year-old patriarch of the church remained in seclusion in Tucson, Ariz., and subpoenas in California civil suits cannot be served out of state.

Though Armstrong may be in Pasadena this weekend to attend church functions, Chodos said, he hoped a subpoena would not be necessary for the coming trial. "I would like to see Mr. Armstrong voluntarily," he said.

Armstrong Church Battles in 3 Courts

Impounding of Fund-Raising Letters Upheld; Other Rulings Postponed

BY RUSSELL CHANDLER and DOYLE McMANUS

Times Staff Writers

Tuesday was the Worldwide Church of God's day in court—three Los Angeles courts, in fact.

As two dozen church members picketed and prayed outside the federal courthouse, attorneys for church patriarch Herbert W. Armstrong asked U.S. Dist. Court Judge Robert Firth to declare unconstitutional a Los Angeles Superior Court decision to put the church's earthly affairs in the hands of a temporary receiver.

They asked Firth to award Armstrong and his church \$700 million in damages for the court's action, which they condemned as a malicious violation of the religious freedom clauses of the U.S. Constitution.

They also appealed the Superior Court order in a state Court of Appeal.

And they appeared again in Superior Court to fight the decision of retired Judge Steven Weisman, the court-appointed receiver, to impound 60,000 fund-raising letters from Armstrong to his followers asking that donations be sent personally to the 86-year-old patriarch.

Superior Court Judge Julius Title ruled against the embattled church. The other two courts postponed any decision.

"The (Superior) court order . . . constitutes an impermissible establishment of religion," the church's lawsuit in U.S. District Court charged, referring to the First Amendment's separation of church and state.

Title, who issued an order Friday placing Weisman in administrative and financial control of the church and other facets of Armstrong's \$80 million religious empire, declared that the attempted mailing of the appeal letter by Armstrong Monday was "in direct . . . violation of the . . . order of this court."

Armstrong's letter urged members to send money "for legal defense and to save the work" directly to him in care of General Delivery, Tucson. Title said Weisman acted correctly in stopping the letters and restrained the church from causing contributions to be sent anywhere but normal church headquarters.

Church attorney Allan Browne, speaking of the federal suit, said that even if state investigators discovered that the church had engaged in "objectionable activities," the state would be illegally overseeing the church's religious activities.

Browne also argued that the receivership order had "a massive chilling effect on the church and its members," violated Armstrong's right to privacy and violated the civil rights of church officials.

Browne said that Tuesday's third court action, the petition to the state Court of Appeal, argued that the receivership order was made without sufficient evidence and was unconstitutionally broad.

Armstrong Mail Plea for Money Blocked

Receiver Holds Up Church Patriarch's Letters to Backers

BY RUSSELL CHANDLER
Times Religion Writer

An effort by Herbert W. Armstrong, patriarch of the beleaguered Worldwide Church of God, to have supporters mail money directly to him in Tucson was cut off at the Pasadena post office late Monday.

In a letter to be sent Monday to the church's members and workers, Armstrong urged that funds "for legal defense and to save the work" be sent to him personally in care of General Delivery, Tucson, where he is secluded in his home.

But retired Judge Steven Weisman, who is in administrative and financial control of the organization through a court-ordered receivership, said 60,000 copies of the two-page appeal had been ordered held at the post office.

Weisman said his attorney would seek a court restraining order today to prohibit mailing of the Armstrong letters.

"This is a direct violation of (Los Angeles Superior Court) Judge (Julius) Title's order," Weisman told The Times. "It is obstructing my job."

Last Friday, Title ruled that Weisman was to assume power over the \$80 million Armstrong religious empire, including the church, Ambassador College and Ambassador International Cultural Foundation.

Armstrong's appeal for money, processed at the sect's Pasadena headquarters, appeared to be the church's latest maneuver to keep control of the empire's purse strings as well as build a legal argument that the receivership is a violation of the separation of church and state.

"Satan has struck his master blow to destroy God's church," declared the letter issued on the Worldwide Church letterhead over Armstrong's signature. "We must now FIGHT as never before knowing God will fight our battles for us."

"The state has seized and tied up all our church funds," Armstrong's letter continued. "So send a special

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LOCAL NEWS
EDITORIAL PAGES

CC PART II †

TUESDAY, JANUARY 16, 1979

offering to me, personally . . . for the defense of God's work as generously as possible, even at sacrifice . . . until I notify you otherwise . . ."

The latest chapter in the history of the 60,000-member Worldwide Church of God began Jan. 2 when the state attorney general joined six former church members in a civil suit. It charged that Armstrong, his top associate, Stanley Rader, and other church officers had siphoned off millions of dollars a year in church assets for their personal use. The receivership followed.

Armstrong, who proclaims himself "Christ's chosen Apostle," urged in the letter that donors accompany their gifts with a letter saying that "this money is your endorsement of my Apostleship" and that the money should be used as Armstrong deemed best.

In a related development Sunday, Armstrong loyalists reportedly obtained 3,000 signed copies of a "statement of belief" that pledged allegiance to Armstrong and upheld his right to spend church tithes (10% of givers' income designated in contributions) as he saw fit.

Kevin Dean, a Worldwide Church member, said the statements were collected for court appeals which church attorneys are seeking in an effort to overthrow the receivership order.

Observers familiar with the tangled
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Church Receiver Cites 'Zero' Cooperation

BY RUSSELL CHANDLER

Times Religion Writer

1-18-79

that so far he had received "politeness" but "zero cooperation" from church-founder Herbert W. Armstrong's top aide, Stanley Rader, and other staff members.

"I want to clear the air about what I'm doing," Weisman told reporters. "I'm in the middle. I've been appointed . . . to see if church funds are being used correctly."

Rader answered Weisman's complaints in a separate press conference in his executive office down the hall.

"I don't know what Judge Weisman is referring to," Rader said. "My reports are that there is complete cooperation."

Rader added that church and college personnel would obey the court-ordered receivership allowing Weisman to investigate the financial affairs of the \$80 million religious empire. But he said church attorneys would press efforts to overturn the ruling. Appeals are pending in state and federal courts in Los Angeles.

Weisman stressed that he was not challenging Herbert W. Armstrong's leadership of the church, but he lamented that he had been unable to communicate directly with the ailing patriarch, who is secluded in Tucson.

"I'm not even sure he's alive . . . or in full control of his faculties," Weisman said.

Rader, however, assured reporters that Armstrong was very much alive but that he had "no interest in talking to Judge Weisman whatsoever . . . Mr. Armstrong speaks to whomever he feels like speaking to."

Rader confirmed that a worldwide conference of the church's ministers, originally scheduled to open in Pasadena this week, would be held in Tucson next week and would be closed to the press and public.

Weisman and Rader traded charges regarding possible electronic bugging of the Pasadena headquarters. Each man said he had heard reports that "the other side" had bugged his office.

Denying knowledge of such devices in Weisman's office, Rader declared: "We're very open around here."

Weisman said he was spending about \$2,600 a day in church funds to provide security forces at the church headquarters.

Church Valuables Missing?

Gold bullion, coins, paintings and computer tapes detailing the Worldwide Church of God's financial empire may be missing from church headquarters, a spokesman for a court-appointed receiver said yesterday. A. Sheridan Atkinson, chief operating officer for receiver Steven Weisman, said one private security firm has been fired and replaced with another following what Atkinson called "some wierd circumstances."

Atkinson said that when security broke down, the computerized church records and valuables may have disappeared. But he stressed he had no proof anything was taken, and could not establish they were ever in the building. He also claimed he was getting no cooperation from church leaders in establishing the whereabouts of church assets.

"I can't tell you what is missing if I don't know what was there to start with. All I can tell you for sure is that we've had our armed guard security system violated two or three times this week," Atkinson said, adding that guards apparently had been absent from their posts.

Stanley R. Rader, chief aide to church founder Herbert W. Armstrong, said yesterday he also had heard reports that some church records had disappeared. Rader and other church leaders indicated they were concerned that personnel of the court's receiver may have taken the records. Rader added that the 86-year-old Armstrong, whose home is in Tucson, Ariz., has ordered him to redouble the church's own security efforts at the Pasadena headquarters.

Stand Firm, Church Faithful Told

Armstrong Urges Pasadena Followers To Continue Sit-In

The leader of the Worldwide Church of God, in a long-distance call broadcast over a loudspeaker, today urged more than 1,000 followers to "stand their ground" during a sit-in at the church's Pasadena headquarters.

Herbert W. Armstrong, 83, in a call from Tucson, Ariz., told protesters that they should do everything in their power to protect the church.

"We shall go on today no matter what happens," Armstrong said. He told followers who had locked themselves inside the building that they should not necessarily obey the law even though they are subject to it.

About 3000 men, women and children slept overnight in the church offices, talking about their desire to keep the church free from state control. Their numbers swelled to more than 1,000 this morning.

A confrontation between state officials and church members developed yesterday when the court-appointed receiver, retired Judge Steven S. Weisman, and other officials found their entrance to the church blocked by 2,500 demonstrators.

Meanwhile, a Superior Court judge instructed church attorneys to warn followers against interfering with Weisman.

Judge Julius Title told attorney Allan Browne that if the demonstrators did not disperse voluntarily, the court would have them removed.

However, officials decided late yesterday afternoon that they would allow the demonstrators to remain through the night. Many of the protesters vowed to remain until Armstrong told them otherwise.

In response to a claim by Weisman that "we can't get in" to the church, Judge Title said he would "make whatever orders are necessary to allow Weisman access."

Title named Weisman, a retired judge, as receiver of the church to control its assets, records and other non-ecclesiastical activities during an investigation by the state attorney.

Armstrong, 86, patriarch of the 85,000 member religious organization, and



AP photo

Herbert W. Armstrong, right, receives a get-well card from hundreds of loyal members of the Worldwide Church of God yesterday before he attended religious conference in Tucson, Ariz. The church founder suffered a heart attack about 18 months ago.

his top aide, Stanley R. Rader, are accused in a suit filed by the state attorney general of siphoning several million dollars from the church's \$80 million in assets.

Title scheduled a hearing for Jan. 30 on Weisman's motion to suspend Rader as the church's treasurer and general counsel. Weisman contends the church's top officials have not cooperated.

Dean Blackwell, a minister with the church for 25 years, asked the sit-in group yesterday to remain on the Ambassador College campus as "a token of your support and loyalty to God's church" and urged the church members "to be polite, humble and very reserved."

The mass meeting came one day after Rader said he and other members of the Worldwide Church of God would leave the state of California in order

to "propagate the Gospel of Jesus Christ in an unfettered manner."

Blackwell, however, told the crowd that no decision had been made to leave California and that such a move "would only be a last resort."

Rader and Armstrong are in Tucson, Ariz., where ministers of the church have gathered for a conference.

Stanley Rader, church treasurer and chief aide to founder Herbert W. Armstrong, accused the state of stripping away the church's rights by placing its property under a receiver. State officials, he said, have wrongfully "confiscated, seized and desecrated" church property and have denied constitutional and procedural rights.

Rader made his remarks at a news conference prior to the opening of weeklong, worldwide ministerial meeting, which attracted an estimated 1,000 people.

Armstrong will not "come down from his position" to speak with reporters, Rader said, but an unnamed radio and television network will be allowed to cover the former advertising man's address to the clergy.

He labeled reports that Armstrong is senile "absurd" and said Armstrong will soon begin a national and international speaking tour to further spread the gospel he has been preaching for the last 46 years.

Appointment of a receiver, Armstrong said, has strengthened the church, made it a "household word worldwide" and will make easier its growth and preparation for the "end time" when Christ is to return to the earth.

Asked if he could fulfill his Biblical duty to be a missionary to all the world and travel with neither "purse nor scrip," Rader, who is paid \$200,000 annually plus expenses to be Armstrong's chief adviser, said, "the purse we have."

Asked if he needed his large salary to do the work, he replied, "But we have the revenue."

Weisman has complained of getting "zero cooperation" from top church officials and Weisman's top aide has suggested that gold bullion, coins and other valuables may have been spirited away during a breakdown in the church security system.

Rader also denied that he or any church members had stolen anything. He said he was unaware that the church had any bullion and hinted that either "conspirators" or agents of the state may have taken missing valuables.

Rader said Weisman had shown "utter contempt" for the church by such actions as "assiduously persevering" in smoking in church buildings. Rader said "smoking is a sin."

Weisman, Rader charged, has threatened both lay employees and ministers with immediate dismissal if they do not obey his every command immediately.

Weisman could not be reached for comment.

Church members, Rader said, will not make any contributions to Weisman or any other court official. Within one week, he said, contributors will stop coming to California.

Rader said the church "as always" will make all of its communications "with the brethren in public." But he would not tell reporters where church members were now to send money.

By moving their headquarters out of California the church leadership will be beyond the reach of both Weisman and California civil court orders.

Repeatedly Weisman said that how the church spends its money is none of the government's business. The church, he said, "is accountable only to its church members and that in a very limited manner."

Inner Turmoil Rips at Vast Church Empire

BY RUSSELL CHANDLER

Times Religion Writer

Forty-five years ago next month, a 41-year-old advertising and sales executive turned preacher broadcast his first radio sermon on station KORE in Eugene, Ore.

Herbert W. Armstrong founded the Radio Church of God in 1934 on a shoestring, moved it to Pasadena in 1946, and renamed it the Worldwide Church of God in 1968 as its prosperity swelled.

Now, at age 86 and secluded in Tucson with a heart ailment, Armstrong remains the embattled patriarch of a vast religious empire as mysterious as it is famous.

Power struggles have riven the opulent Pasadena headquarters on the campus of church-run Ambassador College.

And Jan. 2, backed by the state attorney general's office, some disenfranchised former members succeeded in having the church placed under the control of a receiver. The dissidents accuse Armstrong and other top leaders of plundering the church treasury "on a massive scale."

With a worldwide roster of fewer than 100,000 baptized members and regular followers, the church stands among the smallest nationally and internationally recognized religious bodies.

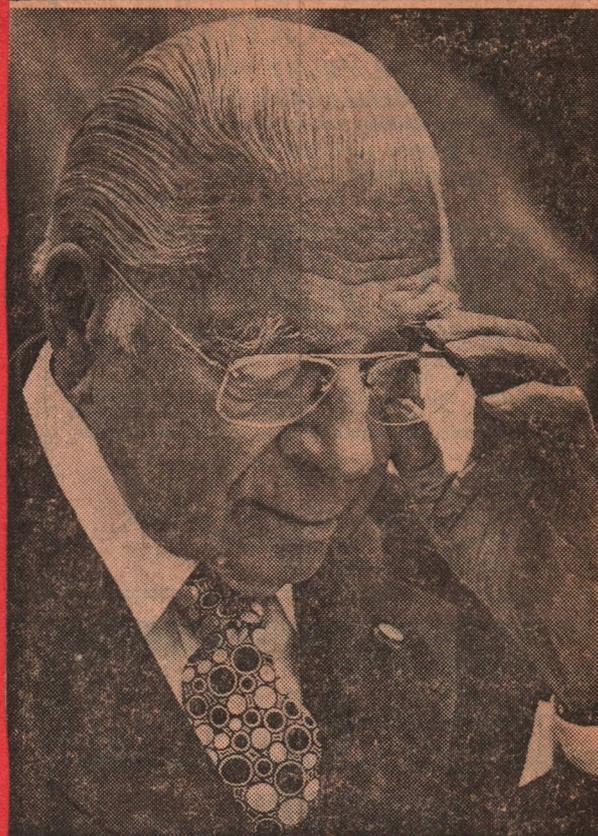
But, with an annual tax-free income of about \$70 million, it boasts media and financial power larger than the Billy Graham and Oral Roberts organizations combined.

Fighting the court-ordered receivership every inch of the way, church attorneys, led by top Armstrong aide Stanley Rader, are battling for the church's tithes—the 10% income faithful members regularly contribute to "the work."

Armstrong, who proclaims that he alone is the "chosen Apostle of Christ" has said the money should be sent directly to him to use as he sees fit.

Financial records have indicated that about 80% of the church's income comes from tithes. (Members

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Herbert W. Armstrong

Times photo

Inner Turmoil Rips Vast Church Empire

Continued from Third Page

are expected to tithe 20% of their income yearly plus an additional 10% every third year. The remainder comes in donations from recipients of the church magazine, The Plain Truth, from radio and television audiences and other sources.

Because of secrecy shrouding the tax-exempt status of the Worldwide Church of God, it is difficult if not impossible to trace the complex growth of the Armstrong empire from its humble Oregon beginnings.

Born in Des Moines in 1892, Herbert W. Armstrong describes himself as a precocious youth at age 16 obsessed with a desire both for wealth and prominence and for academic learning. But he decided against college education and chose self-learning. At age 18 he entered sales and advertising.

He became interested in religion through his wife, and in 1933 he was elected minister of a small group known as the Church of God, Oregon Conference, a Saturday sabbath-observing sect.

In 1946, Armstrong moved to Pasadena to build the independent ministry he then headed. He started Ambassador College because he needed ministers trained for his congregations.

As money began to swell church coffers, the work—and Armstrong's visions—expanded.

Increasingly, Herbert's son, Garner Ted Armstrong, now 48, became known as the silver-tongued voice on the church's "World Tomorrow" broadcast. It seemed inevitable that the son would inherit and continue his father's religious domain. Later, the younger Armstrong was placed in charge of the college and he assumed other key posts.

In 1956, a young lawyer of Jewish background from White Plains, N.Y., met Herbert Armstrong and soon became a tax consultant for the church. Since 1968 Stanley Rader has been the constant companion and personal adviser to the elder Armstrong.

Rader vigorously denies that he has plans to take control of the church. And he denies that he and Garner Ted—now put out of the church and conducting a separate ministry in Tyler, Texas—were engaged in a power struggle.

By Rader's own account, however he has usurped Garner Ted's place in Herbert's heart: "Mr. Armstrong has said publicly very often that I am a son in whom he is well pleased," Rader told a reporter.

Although Rader won't disclose his salary, it is believed to be about \$100,000 a year, plus almost unlimited expense accounts and substantial church-related business profits.

Rader logged 290 days of overseas travel in church-sponsored jet missions to world capitals with the senior Armstrong in 1975, the year Rader was baptized "in a bathtub at the Mandarin Hotel in Hong Kong" while on tour.

As the Armstrong empire gained visibility, so did its problems.

In mid-1950s Herbert had written a pamphlet titled "1975 in Prophecy." It was underlined, italicized, capitalized and filled with triple exclamation points.

The booklet predicted that Germany would rise again, creating a United States of Europe which would then attack this country with nuclear bombs in January, 1972.

Meanwhile, the Worldwide Church of God would "flee or be taken to a place of safety"—Petra in the Middle East. After this worldwide destruction, Jesus Christ would return in 1975.

When the auditorium opened, the Armstrongs brought the Vienna Symphony to play at a cost of \$112,000.



Garner Ted Armstrong

Times photo

in supporting leading charitable, humanitarian, educational and cultural organizations."

A year later, Rader and Robert Kuhn (now disfellowshipped) were instrumental in launching the Ambassador International Cultural Foundation.

The AICF inaugurated a glittering 64-concert series featuring Vladimir Horowitz, Maria Callas, Yehudi Menuhin, Joan Sutherland and other world-renowned artists in line with the AICF's avowed purpose: "to bring the finest cultural events and artists to the greater Los Angeles community as well as to join . . .

At the same time, the AICF launched a new magazine, Quest/77, which Herbert Armstrong declared would "go before KINGS!" with "articles on the very PLAN of God." Top former editors of Harper's and Time were signed on to steer what was to be the flagship of quality AICF "consumer" magazines.

There were other evidences of an apparent shift from isolationism to accommodation with the "world." Academic accreditation for Ambassador College, which at one time had three campuses and an enrollment of more than 1,300 students, was sought for the first time.

And Armstrong doctrine was relaxed on touchy matters such as divorce and remarriage, medical help and the mandatory nature of the multiple tithing system.

A picture emerged during the 1976 ministerial conference of a sect-like group maturing into a more mainstream religious organization, though basic church tenets remained intact. A partial list:

The Worldwide Church of God is the "one true church" and Herbert Armstrong is Christ's only true Apostle to the

world since the first century; the rejection of hell and the corollary teaching that the wicked will be annihilated; insistence on the Saturday sabbath; the teaching that Mosaic dietary laws are binding upon Christians today; the teaching that only immersion baptism by a WCG minister is valid; the view that biblical law-keeping is essential to salvation.

In 1977, Herbert himself took a new lease on life, marrying 39-year-old Ramona Martin, a divorcee with a teenage son. She had been a secretary to Rader; Armstrong had been a widower since 1967.

But liberalizing trends within the church apparently bothered the senior Armstrong, and he began retrenching—which put him on a fatal collision course with his son.

Renouncing efforts to gain accreditation for Ambassador College, Herbert wrote in September, 1978, of "the deadly leaven of higher education." The Big Sandy, Texas, campus had been closed, and enrollment drastically cut at Pasadena.

In a letter to "Brethren and coworkers" Jan. 7, 1979, the elder Armstrong deplored the gradual "watering down of God's truth and scriptural teachings."

And he claimed he had had no knowledge of the 1976 doctrinal revisions until they had been promulgated.

Patriarch Herbert had more than "liberals" in the,

It was the first organized split in the theocratic organization.

When the dust had settled, 35 ministers and several thousand members had left the church. By the end of 1974, nearly 3,000 had been disfellowshipped; another 1,800 exited in 1975.

The Worldwide Church had a resiliency surprising to many of its critics, however, and it actually emerged wealthier and stronger than before.

In April of 1974, the \$11 million Ambassador Auditorium was completed—"the finest building in the world, square foot by square foot," according to Rader. Per square foot, it certainly is one of the most expensive.

The interiors are made from emerald-green granite, cut and polished in Massa-Carrara, Italy. The walls are lined with rose onyx from Turkey and Persia, cut and polished in Italy. A 30-foot chandelier sparkling with 1,375 crystals is suspended from the ceiling.

Armstrong Church to Leave California, Official Says

BY DAVID JOHNSTON
Times Staff Writer

The Worldwide Church of God will move from California to an as yet unselected "safe haven" so it can continue spreading the gospel of Jesus Christ, Stanley R. Rader, senior adviser to church founder Herbert W. Armstrong, said Sunday.

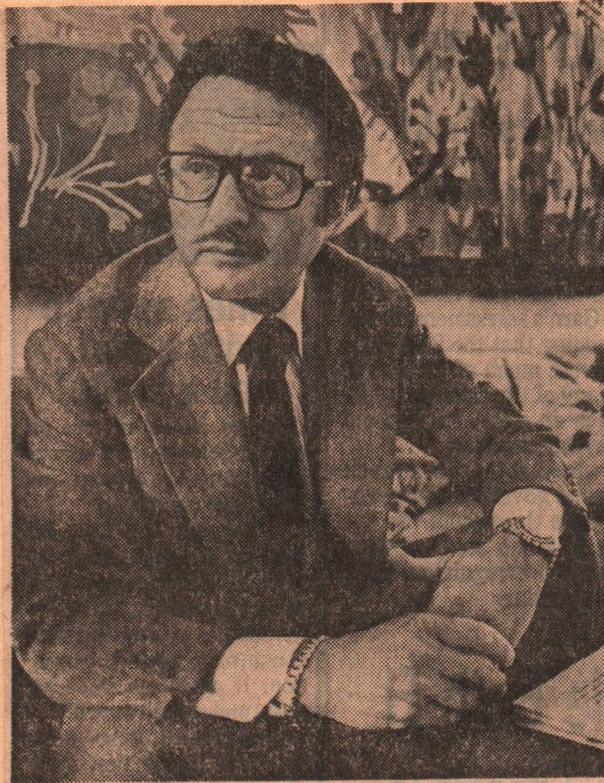
The decision to move, Rader said, stems from what he called the "confiscation" and "desecration" of church buildings in Pasadena by Steven Weisman, the court-appointed receiver for the troubled church and affiliated organizations.

Weisman, Rader charged, has locked Rader and others out of church offices in Pasadena, canceled payment on all outstanding checks including stipends of ailing widows, and used a confidential church mailing list to instruct all Worldwide Church of God ministers that donations must be given only to Weisman as receiver and that giving money to Armstrong or his representatives is prohibited.

Rader also warned that "it will lead to some kind of conflict, physical conflict" if Weisman allows "disfellowshipped former members" who have been "publicly marked" because of ecclesiastical misconduct to attend church services.

The 100,000-member church has been locked in a bitter fight with the state attorney general's office since Jan. 3 when Judge Jerry Pacht of Los Angeles County Superior Court issued a temporary restraining order placing the church in receivership. Pacht's order, since narrowed considerably, was designed to stop what the attorney general charged was "pilfering" of several million dollars a year of the church's \$80 million in assets by Armstrong, Rader and other senior church officials.

Rader attacked the court action as an "unconscionable, reprehensible and abominable" invasion of the church's First Amendment rights and



ADVISER—Stanley Rader in his Pasadena home.

objected to Pacht naming Weisman as receiver because Weisman is of a "totally alien faith."

The court's actions "will only enhance the impact with which our message, the true message, of Jesus Christ registers on the minds of people," he said.

Church members, Rader said, "know that this persecution is something that has been anticipated for some time" and it "will give us greater strength and solidarity as an institution" in preparing for the "end time."

Rader said "as long as anyone from the state is here (in Pasadena) controlling our physical assets we cannot operate from here."

He said Tucson, where Armstrong lives in seclusion, is one safe haven. But, he added, no new headquarters location has been picked. He hinted that he and Armstrong may travel continuously to fulfill missionary responsibilities.

Rader said he was not leaving California to avoid further civil action by the state and would return, if asked by the court to do so, to testify or otherwise participate in the current litigation.

Speaking at a press conference in his richly appointed Pasadena home, Rader said the 86-year-old patriarch of the church will appear at a conference of church ministers Monday in Tucson.

church to contend with—and a “rebellious son” whom he excommunicated when he refused a compulsory leave of absence.

In the fall of 1977, six former Ambassador College students published a magazine that portrayed Garner Ted as an unrepentant adulterer, and included an interview with a former coed who claimed to have had an affair with him.

Other articles in the magazine—all of which Rader said were untrue—outlined alleged misuse of charity monies, unethical transfer of funds to the Ambassador International Cultural Foundation, intimidation of contributors through computer information, secret monitoring of college classrooms and “the real story behind the Worldwide Church of God’s many doctrinal changes.”

Against this backdrop of allegations of playboy living on the part of Worldwide Church leaders, misappropriations of church money and a reported cash flow problem so serious that some 50 of the church’s nearly 200 prime properties near the Pasadena campus were being liquidated, six former members filed a civil suit on Jan. 2. (None was a publisher of Ambassador Report.)

General confusion and a battle for control of the church followed. Continuing court confrontations appear certain.

As the weekend began, there were indications the center of church activity might be shifted to Tucson.

ARMSTRONG REASSURING CHURCH TIES

While legal affairs of the Worldwide Church of God hang in limbo, church founder Herbert W. Armstrong has been visiting Tokyo, along with his chief aid, Stanley Rader, the church announced yesterday. 4-27-1979

Armstrong, 86, met with Prime Minister Masayoshi Ohira yesterday and vowed that research and educational projects sponsored by the church affiliate, the Ambassador Cultural Foundation, will continue.

Rader announced that Armstrong will travel to Tunisia in June to establish an institute for cultural affairs there.

The church was placed in receivership in January on the complaint of six former members who charged that high church officials, especially Rader and Armstrong, were squandering donations and using church funds for their personal benefit.

The church fought the receivership and is now operating its own affairs, after church members put up their homes, cars and other possessions as surety bonds

Receiver Granted Deputies' Aid in Probe of Church

BY RUSSELL CHANDLER
Times Religion Writer

The court-appointed receiver and his staff at tense Worldwide Church of God headquarters in Pasadena will be escorted and protected by sheriff's deputies so the receiver can pursue investigation of church records, a judge ruled Tuesday.

At a brief afternoon hearing in Los Angeles Superior Court, Judge Julius M. Title ordered law enforcement assistance to break the deadlock between embattled but peaceful church members who have staged a "lock-in" and sit-in at the headquarters since early Monday, and agents of the state who have been refused admittance to campus offices.

But Stanley Rader, chief adviser to church patriarch Herbert W. Armstrong, said the latest court order in the tangled legal battle was a victory for the church.

The order allows church members to continue occupation of the buildings and picketing as long as that does not interfere with the business of the receiver, retired judge Steven Weisman, and his aides.

Title gave church members until today to allow Weisman to enter the property. The judge issued the order in response to a request by Lawrence Tapper, a deputy attorney general.

"I don't seek mass arrests," Tapper

said before the court hearing. He added that he merely wanted doors unlocked at the church's headquarters on its Ambassador College campus so Weisman and his representatives could take charge.

"Our people will remain in the building but will be courteous and will not impede the receiver," Rader declared after the order.

But he said the church would continue its court battles to throw out the receivership and remove Weisman from the premises.

Earlier, Armstrong, speaking at a meeting of church ministers in Tucson in an address relayed to the Pasadena site, said he was willing to go to jail if necessary to defend the church and its property from intrusion by court-appointed officials and law enforcement officers.

"Being subject to the laws doesn't always mean to obey them," Armstrong said in a firm voice, adding, "I wonder if people aren't going to have to go to jail." Several hundred church members listening to his message in Ambassador Auditorium broke into applause.

Just before issuing the order authorizing sheriff's deputies to assure the receiver's access to church offices and documents, Title asked Allan Browne, chief attorney for the church, if there was any way to avoid the order.

Browne replied that he had explained to church members that the court order should be obeyed but the members still appeared determined to shut out the receiver.

"There was no way to avoid this,"

Browne conceded.

Browne indicated that he would petition the state Supreme Court today, contending that the Superior Court's receivership order should be nullified.

Meanwhile, the state Court of Appeal denied the second and third appeals by the Worldwide Church of God to stay the receivership order.

Ever since the Superior Court placed the business affairs of the 100,000-member sect and the \$80 million religious empire of Armstrong under receivership Jan. 3, Weisman and his aides have complained that church officials have been uncooperative.

At the same time, Rader and Armstrong have protested that the suit itself was a grave invasion of the freedom of religion clause in the U.S. Constitution and represented, in Rader's words, "a classic confrontation between church and state."

"From the beginning," Rader said Tuesday, "the receiver's presence has been an unlawful desecration of God's property."

And Armstrong, speaking in Tuc-

son, declared that the church was "fighting this battle for freedom of religion for all churches (and for) freedom of the press . . . and speech."

Six former church members, joined by the attorney general's office in the suit that led to the receivership, alleged that Armstrong, Rader and other top church leaders have systematically siphoned off millions of dollars in church funds and assets for their personal gain without knowledge or approval of the church membership.

Tuesday, as crowds of loyal church members milled around the campus and took part in hymn singing and prayers, it was apparent leaders wanted the gathering to assume the atmosphere of a worship service.

A church leader cautioned persons inside the administration building that "we want the meeting to be ecclesiastical . . . We are here to worship God . . . Apparently it's our only defense."

Church Wants to Incorporate in Arizona

BY MICHAEL SEILER
Times Staff Writer

TUCSON—Leaders of the Worldwide Church of God have moved to incorporate in Arizona under the name "Philadelphia Church of God," The Times learned Tuesday.

The move apparently is part of the beleaguered Pasadena-based church's efforts to set up shop outside California and avoid the court-appointed temporary receiver who is in control of fiscal affairs of the church there.

The name, seemingly inappropriate at first glance, is an apparent reference to John the apostle's New Testament revelations to "the angel of the church in Philadelphia (now Amman, Jordan). The revelations mention ". . . an open door which no one can shut."

Though no Worldwide Church of God leaders could be reached for comment, observers of the church's tangled legal and doctrinal affairs suggest it is the hope of church patriarch Herbert W. Armstrong and Stanley R. Rader, his chief adviser, to open a financial door of sorts in Arizona through which tithes can flow, unhindered by the actions of the California receiver and courts.

Confirmation of the incorporation move came from Nicki Chayet, an attorney who serves as administrative assistant in the Tucson offices of the Arizona Corporations Commission.

Ms. Chayet said Tuesday that her office received in the mail Monday a request to reserve the name from a Los Angeles firm that has in the past done work for Armstrong, Rader and the church.

Then, on Monday morning, an unidentified man came into the office with papers, outlining the would-be corporation's articles and officers.

Among those listed as officers were Armstrong and Rader, Ms. Chayet said.

Ms. Chayet said she informed the man a certificate of disclosure also would have to be completed.

Among the questions asked on this certificate is whether any officer of the new corporation has participated in a previous corporation that has been placed into receivership in recent years.

Ms. Chayet said Arizona law presently precludes the setting up of a

corporation by persons whose previous corporations have gone into receivership twice in the last seven years.

So, apparently, Armstrong and Rader's present difficulties in Los Angeles County Superior Court would not keep them from setting up a similar corporation here, though Ms. Chayet stressed a final decision would have to be made by Corporation Commission officials here and in Phoenix, the state capital, after the certificate of disclosure is filed. That could happen later this week or next.

Ms. Chayet said a decision on the new corporation's tax-exempt status would be made by Arizona officials only after the Internal Revenue Service grants that status.

Rader has said publicly in recent days that he expects church members to send their tithes directly to Armstrong in Tucson, rather than to the church in Pasadena. It is apparently Rader's hope that funds for the church under control of the receiver will dry up and new income will flow here.

Postal officials here and at regional headquarters in Los Angeles declined to discuss the quantity of mail being received by Armstrong in care of general delivery here. They said U.S. Postal Service rules designed to protect privacy prevent them from answering.

Both Armstrong and Rader have homes here. Armstrong, until Monday, stayed in seclusion, away from press inquiries, in the wake of the civil suit by the California attorney general's office that led to the receivership.

But, on Monday, Armstrong made a public appearance of sorts in front of a convocation of church ministers. The convocation and Armstrong's 90-minute speech are part of a four-day conference here.

SIT-IN RESEMBLES A CHURCH PICNIC

BY JUDITH MICHAELSON
Times Staff Writer

The first impression you got at the Worldwide Church of God's sit-in at Ambassador College in Pasadena Tuesday was that it was sort of like a picnic.

There they were at high noon, about 200 members, sitting at long tables (while another hundred brethren waited patiently in the food lines), eating apples, elbows resting on Bibles, muttering to each other on the church's starkly modern Cadillac of college campuses, "this is pretty good beef stroganoff."

It was a mood that lasted throughout the afternoon, from a crowd that in another decade could easily have blended into the silent majority.

There were a few quiet hymns and prayers.

The people had come to protest the state of California turning their church's \$80 million assets over to a court-appointed receivership, but they did it in their own way—without pickets, without chants, without even a hint of violence.

For most, if not all, it was the first demonstration of their lives. They smiled a lot.

On this, the second day of demonstrations, confrontation was again avoided.

Church founder Herbert W. Armstrong had asked the membership to be prepared to go to jail, if necessary, to protect church

property against what they consider to be unlawful invasion. But the state itself stepped back from the brink Tuesday.

Members may continue to occupy buildings, the court ruled, as long as they do not interfere with the business of the receiver. Prosecutors let the word out that they did not want wholesale arrests when sheriff's deputies accompany officials from the receiver to the campus today.

Meanwhile, the members said they were prepared to go to jail if they had to, including white-haired women carrying little prim purses, but they made it clear they didn't want to.

Many of the demonstrators, like Martin Anderson, 32, a tree-trimmer from LaVerne, had brought their children with them. He said he preferred to go home to dinner.

"It would be a little strange to have to go (to jail)" said Anderson, who like his wife Cathi is a second-generation member.

"I've been a member of this church from age 6. Nothing like this has ever happened before. You've got to stand up to the state when they get a handhold on your church. "But jail," and he laughed nervously, "that's kind of scary.

"It's difficult to be different.

Like other members, Anderson saw the problem simply as church vs. state, but intermingled with that there was loyalty to the church's first minister, 86-year-old Armstrong.

Still, he maintains, loyalty has limits. "We follow Armstrong because he follows the word of God. But if he went off the deep end, we wouldn't follow him blindly off a cliff."

"For instance, Guyana," Anderson offered. Nothing like that would ever happen to them because "we read, we study the Bible, we think for ourselves."

"I came in in '63," says Kathryn Johnson, 56, director of a private school that primarily draws members children. "I had been teaching school, living in a little town in Alaska, where they had 50 children, 11 dogs,

five cats and one fox. And I also had my shortwave radio." A former Presbyterian, she said she had been "looking for another church" when she first heard Armstrong's voice on the air.

"Our church has been maligned," she went on, speaking of the personal abuse-of-funds accusations against the church leadership. "No one has proven anything. I thought in this country you were innocent until proven guilty.

"Besides," she added with a smile, "You need resources to go before the rulers of the world. You have to make an impression. No one would have listened if he came in in a lackadaisical manner. They wouldn't have treated him with the proper respect."

Father's Empire in Trouble—Armstrong

BY BERT MANN
Times Staff Writer

MINNEAPOLIS—Radio-television evangelist Garner Ted Armstrong describes the theocratic religious empire of his father, Herbert W. Armstrong, as a fear-ridden organization faced with serious financial difficulties.

The younger Armstrong, interviewed by The Times near a Minnesota lodge where he and his wife spent a few days last week, told of an Armstrong "house divided" which he believes will not stand if present lavish expenditures are not stopped.

Garner Ted Armstrong, once his father's heir apparent, was stripped recently of all titles in the senior Armstrong's Pasadena-based Worldwide Church of God and its affiliate organizations. Then two weeks ago, the younger Armstrong was ordered to take a six-month paid leave of absence in seclusion from all but his immediate family. He was barred from living in church-owned homes and from using his offices in Pasadena and Big Sandy, Tex.

Armstrong said the term "leave of absence" is incorrect because it suggests that he had sought it. He had not, but was in effect, temporarily banished by his father, he said.

Armstrong said that although he risks permanent expulsion from his father's church, he does not intend to remain in seclusion but will

instead seek broadcasting work independent of the church.

"I am not about to camp out for six months," Armstrong said, "and I am spiritually unable to roll over and play dead when my life has been virtually smashed into little pieces."

"Right now," said Armstrong, "I am in total limbo. My wife and I have been left in a state of shock and hurt by my father's decision. We are barred from our homes and have been told not to be in the proximity of any branch of the Worldwide Church of God under penalty of being put out of the church."

Armstrong said the 65,000-member church organization is now "shot through with fear. People are fearful to say what they know, fearful to talk to each other, fearful their phones are bugged, and fearful of their jobs."

Armstrong said many persons who were wrongly considered "his men" have been sacked, transferred or retired in what amounts to a purge by a few men close to his father, who has been virtually isolated by them from his son.

Armstrong said he has unsuccessfully tried to phone his 85-year-old father in Tucson where he lives with his wife, Ramona, 40, di-

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22 Part I—Mon., June 26, 1978

Los Angeles Times ★

Armstrong Tells of a Church Divided

Continued from Third Page

voiced and former church switchboard operator whom he married more than a year ago.

Armstrong said that despite an annual income of more than \$65 million, the church has been forced by inflation and extravagant expenditures to borrow money to meet its payroll. He said he personally signed two bank notes for \$1 million each between last fall and this spring.

In addition, Armstrong said the Big Sandy campus of Ambassador College and another campus at Bricket Wood in England are up for sale along with peripheral properties of the Pasadena headquarters.

Armstrong said a Grumman II jet used by his father is the only one of three church planes left. A Falcon jet was sold some time ago, and more recently a smaller Citation jet used by the younger Armstrong was sold.

Armstrong said that although he generally agreed with his father on church doctrine, they have often disagreed on administrative policies and spending priorities.

"I have never been in favor of the acquisition of expensive homes," said Armstrong, "or the construction of ostentatious buildings. When Dad decided to build Ambassador Auditorium, I wanted him to construct a much more modest building. But after the decision was made I went along with it."

The \$10 million Ambassador Auditorium is used principally by the Ambassador International Cultural Foundation for classical music concerts. With interest on a 10-year bank loan, Armstrong said, the real cost of the auditorium is probably in excess of \$20 million.

Armstrong also said that \$7 million of church funds were poured into the slick cultural magazine, Quest. But, he not-

Father and son have often disagreed on administration and spending.

ed, about half of this has since been returned from advertising and subscription revenue and that it may become profitable.

Armstrong said that as far as he is concerned "the deadly die on finances was cast in the 1960s" when decisions were made to construct the auditorium and other buildings in Pasadena.

These decisions, he said, committed the church to a long-term debt. The utility bills for the Pasadena properties alone now amount to nearly \$1 million a year, Armstrong said.

Armstrong also said he reluctantly agreed to sign documents giving his father an annual salary of \$200,000 a year and giving \$175,000 a year to church legal counsel Stanley Rader, his father's confidante and personal adviser, and an \$85,000 annual salary to himself.

Armstrong said he wrote a memo to Rader expressing the feeling that the salary was unreasonably high "in my own case." It originally was to have been set at \$125,000 but he had it reduced to \$85,000, and Rader's salary, which had been set at \$200,000, was dropped to \$175,000.

Armstrong said that when he hesitated to sign the documents, he was told his father remarked, "Ted doesn't want to do anything for me."

Armstrong said that Rader unquestionably is now the man closest to his father.

"My father has named Stanley Rader his top personal advisor," said Armstrong, "and that is always what I hoped I would be."

Although Rader has spoken to the media in the name of both Armstrongs, the evangelist said, "Stanley Rader is not a spokesman for me. He does not know how I think and feel."

Armstrong also said he believes that even though all decisions are made by his father, the elder Armstrong has been shut off from what is really happening.

Armstrong said he had received firm commitments from his father such as the recent decision to move students from Pasadena to Big Sandy only to have them reversed after "others have talked with him."

Armstrong cited a four-hour meeting he and his wife had with his father in Tucson a few weeks ago.

"It was an emotional, tearful conversation that ended with hugs," said Armstrong, "and it looked like everything was going to be all right. But when we returned to Pasadena everything we had agreed upon had been changed."

The elder Armstrong suffered heart failure more than a year ago. Last month he made his first comeback appearance before his followers in Pasadena and announced he was resuming full control of the church.

The younger Armstrong said he believes decisions are now being made that, in effect, amount to the dismantling of his father's empire.

"It is my belief that before long all that will be left of the Armstrong empire will be the AICF and Quest magazine," Armstrong said.

He declined to name who he believes is responsible for the dismantling.

In a June 8 letter banishing his son, the elder Armstrong accused Garner Ted of defying and seeking to "discredit God's apostle. You are defying and fighting against Jesus Christ whose chosen servant I am."

Garner Ted, who was banished for four months in 1971-72 for alleged sexual improprieties, prefers not to discuss that incident and said he is tired of having it dredged up.

Armstrong said his present ouster should not be compared to the previous one. He said he is aware of numerous rumors circulating including one that the church had to bail him out after he lost money gambling in Las Vegas.

Armstrong said that rumor, which has figures ranging from \$250,000 to \$3 million, may have started because when he was in Lake Tahoe a year ago he had \$600 of his own money wired to him which he used for visiting church sites around the country.

Armstrong said it is no secret that he likes to play blackjack, but he said "when I do it is with my own money."

Armstrong acknowledged that by speaking out he probably will incur further wrath, including the possible cutting off of his \$85,000 salary. Armstrong said his net worth is about \$30,000, including \$24,000 in savings and equity in a twin-engine Cessna airplane. He said he and his wife have lived "like royalty" in church-owned homes in Texas and Pasadena, but have no home of their own.

Armstrong said he tried hard not to struggle against his father but he could no longer agree to a number of arbitrary decisions.

He said, "I was unable to say 'yes sir' to being taken off radio, having church visits canceled, and every person remotely connected with me in any personal way ousted, or when I was placed on an obligatory leave of absence and told I could not be around beloved friends of 25 years, or that I cannot be in my own home environment, and my personal mail is denied to me."

Elder Armstrong A Cuts Son's Final Tie With Church

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BY BERT MANN
Times Staff Writer

Herbert W. Armstrong, 85-year-old patriarch of the World

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In the parlance of the 65,000-member church, the television-radio evangelist has been "marked" which, in effect, makes him a pariah to his brethren. Any member of the church contacting him also is subject to being put out of the church.

The excommunication is the latest development in the rift between father and son. The elder Armstrong, founder of the Pasadena-based church, Ambassador College, and Ambassador International Cultural Foundation, last month imposed a six-month banishment on his son and ordered him to contact no one outside his immediate family.

The younger Armstrong and his wife, Shirley, were barred from church-owned homes in Pasadena and Big Sandy, Tex.

Armstrong's father, among other things, had accused his son of imitating commercial broadcasters on his radio and television programs and of not having enough religious content in them. The son has denied these accusations.

The excommunication of the younger man came within days of an in-
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Father Banishes Garner Ted Armstrong

June
BY BERT MANN 1978
Times Staff Writer

Radio-television evangelist Garner Ted Armstrong, 48, has been temporarily banished from the theocratic empire of his father, Herbert W. Armstrong, 85, and ordered to contact no one but his immediate family under penalty of being marked permanently as an outcast from the church, The Times has learned.

The elder Armstrong last month stripped his son of all executive power and pulled him off radio and television broadcasting on the grounds that Garner Ted had abused his authority.

Herbert Armstrong is the founder of the 65,000-member Pasadena-based Worldwide Church of God, Ambassador College and Ambassador

International Cultural Foundation—all of which are financed largely by church members, to the tune of about \$65 million annually.

About two weeks ago, after a heart-to-heart talk with his son, the elder Armstrong appeared to relent on his decisions and announced that he and his son would share broadcasting chores.

But in a two-page letter, which sources said was sent to his son over the weekend, Herbert Armstrong ordered Garner Ted to drop out of sight—at least until the end of the year—and accused him of disobeying an earlier command to take a two-month leave of absence.

The younger Armstrong also was instructed not to make use of his

homes or offices either in Pasadena or at the church's Big Sandy, Tex., campus. New locks reportedly were put on Garner Ted's office doors at both campuses.

These latest actions came amidst reports of layoffs within the church. Some of Garner Ted's associates have also been fired, retired or transferred. One of those fired was Lois Chapman, Garner Ted's secretary for many years, who also is the widow of Richard Armstrong, Garner Ted's older brother who died years ago in a car crash.

Some of the layoffs reportedly are because of the closing of Ambassador College as a liberal arts school of

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ARMSTRONG DISPUTE

Continued from First Page

more than 1,250 students. The campus is scheduled to reopen in the fall as a ministerial training school with about 250 students.

Despite repeated denials that there is no power struggle under way within the Armstrong empire, one source described the latest happenings as "a tyranny of the most unbelievable proportions under the wrap of religion."

Garner Ted Armstrong was banished once before by his father in 1972, allegedly because of sexual improprieties, but was reinstated about six months later.

His father indicated then that his son was heir apparent.

In the interim, however, church sources say the real power emerging within the Armstrong empire is Stanley Rader, a Beverly Hills attorney who is the elder Armstrong's confidante and constant companion.

Rader is a relatively recent convert to Armstrong's fundamentalist church, but is not a minister.

Meanwhile, Garner Ted Armstrong reportedly is somewhere in Texas abiding by his father's order to remain incommunicado.

GARNER ARMSTRONG AIRS OWN CHURCH PROGRAMS

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Radio evangelist Garner Ted Armstrong, recently ousted from the Pasadena-based Worldwide Church of God by his father, Herbert W. Armstrong, is now broadcasting his own radio program on eight stations and has announced a "full financial disclosure" policy for his new church.

The younger Armstrong, 48, is based in Tyler, Tex., where he holds weekly worship services for his Church of God International. Congregations are also forming in Ft. Worth

and Oklahoma City, the evangelist said during a telephone interview this week.

Garner Ted Armstrong, formerly second in command in the Worldwide Church to his 86-year-old father, until management and financial differences caused the rift, said church organizations must follow the highest code of business ethics and demand responsible directorships.

"In order to be able to preach with credibility, a church must first set a

proper example in its conduct," the evangelist said.

To set the example, he continued, the Church of God International's board of directors will include lay members not employed by the church.

In addition, his church will have an annual outside audit by persons not connected with or employed by the church "to avoid . . . conflict of interest," Armstrong said.

Ron Dart, a former vice president in charge of pastoral affairs for the Worldwide Church of God, has resigned and is now working "full time" with Garner Ted Armstrong and the new church, Dart and Armstrong disclosed.

Covered Up for Son, Elder Armstrong Says

BY BERT MANN
Times Staff Writer

Herbert W. Armstrong, 85-year-old patriarch of the Worldwide Church of God, has told his followers in a letter that for years he has "shielded, protected and covered up" what he termed the "improper behavior and excessive drinking" of his evangelist son, Garner Ted Armstrong.

The older Armstrong, who recently excommunicated his son, made the allegation in a letter that went out last week to the church's 65,000 members. The letter also noted that Armstrong has ordered the sale of the church's Quest magazine, a 500,000-circulation periodical dealing with human problems that was established only two years ago.

Armstrong is the founder of the

Pasadena-based church, Ambassador College and Ambassador International Cultural Foundation.

Some of the specific accusations in Armstrong's letter also relate to his son's banishment from the church in 1971-72.

Reached in Texas by The Times, Garner Ted Armstrong, 48, said he had not seen his father's letter but was aware of its contents.

"I think," the younger Armstrong said, "it is both tragic and embarrassing that a minister who is preaching the doctrine of love, mercy and forgiveness and who believes in the biblical passage that love covers a multitude of sins would feel it necessary to deal in real or imagined faults, mistakes or sins of the past.

"How long," Armstrong asked, "am I going to read in the media about al-

legations that were first raised six or seven years ago? This is nothing but a further rehash, an endless diatribe that is morally incorrect for my father to bring up.

"I am ashamed and embarrassed for my father that he is digging up a past that was forgotten and forgiven. It is hard to believe that my own father is doing this."

In his eight-page letter, the older Armstrong cited instances since 1971 in which "to protect my son's name and reputation, I have covered up for him because I had said to him that I love him above all people on earth."

But Armstrong said that things had gotten to the point where he no longer could cover up and accused his son of "lusting for power."

Armstrong compared his own

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Pt II—Fri., July 7, 1978

Los Angeles Times

Elder Armstrong Says He Covered Up for Son's Improper Behavior, Drinking

Continued from First Page

coverup of his son to Watergate. "God teaches us," he wrote, "that love covers. In the worldwide notoriety about Watergate, President (Richard M.) Nixon was accused, condemned and forced to resign because of what Satan's world called the sin of coverup.

"In other words, the world regarded it as a sin because Mr. Nixon did not come right out in public and before the whole world and defame the United States by reporting the whole affair."

Armstrong said he had "followed the way of Christ" by "trying desperately through the years to cover up my son's sins and mistakes."

Specifically, Armstrong's letter said that in 1971 he was told about his son's "totally improper behavior and excessive drinking at feast sites (church-operated conference centers) in different parts of the country. This improper behavior occurred in restaurants and places where most members attending were unaware of it."

Armstrong said that he later received a phone call from the minister in charge of the Squaw Valley feast site. "It was late evening," Armstrong wrote. "Ted's conduct was totally un-

becoming a minister of Jesus Christ. He was drinking and gambling late at night at a casino on the Nevada shore of Lake Tahoe. I was informed that it was urgent that I remove him from further participation in festival site speaking."

Armstrong said his son later repented his actions and was forgiven but "early in January, 1972, an event happened more serious than any before" which resulted in his son's "disfellowship" from the church.

Armstrong's letter does not spell out what this event was, but his spokesman, Stanley R. Rader, indicated that the reference was to the younger Armstrong's last banishment for what his father termed then as being "in the bonds of Satan." Rader also stressed that Armstrong's gambling "was definitely not with church money."

A group of 35 ministers who left the church at the time had alleged that the real reason for the evangelist's banishment was for "sexual improprieties."

The older Armstrong's letter said he would have given his right arm rather than have to write it. "But," he said, "I have been too long tolerant, forgiving and covering up with love

toward an ungrateful, hostile, threatening son."

Elsewhere in the letter, Armstrong noted that he had given "a firm order" to Rader to "sell or get rid of" Quest magazine.

"I was," Armstrong wrote, "never enthusiastic about this magazine, but I went along with the understanding that I was to write the leading article in every issue."

In a 1976 pastoral letter, however, Armstrong extolled the magazine as being an important part of his work. The younger Armstrong noted that Quest had been financed with about \$7 million in church money. He said, "I felt it was morally wrong to promote Quest among the church brethren and to use the influence of the church to solicit charter members in what was a wholly secular venture."

Armstrong has stressed that while he and his father have been in general agreement on doctrine, he has often disagreed with him on priorities for spending the church's \$65 million annual income.

In a lengthy recent interview with The Times, the younger Armstrong said his father's empire is facing serious financial difficulties and described it as "ridden with fear."

Sun., July 30, 1978

Armstrong Son Establishes His Own Church

Evangelist Makes First Broadcast Since Break With Father

BY BERT MANN
Times Staff Writer

Radio-television evangelist Garner Ted Armstrong announced Saturday that he has formed his own church and is resuming his religious broadcasts from a radio station in Texas.

Armstrong, 48, who was excommunicated by his father two months ago from the Pasadena-based Worldwide Church of God, said he has named his church the Church of God, International, and has set up an office for it in Tyler, Tex., his new home.

Some church observers speculated that his new church probably would siphon off a sizeable portion of the \$65 million that annually pours into the theocratic empire of his father, Herbert W. Armstrong.

The younger Armstrong's first radio talk since his break with his father was broadcast Saturday night on 50,000-watt station WOAI in San Antonio. He said he is paying the \$150 cost of the half-hour programs out of his savings.

Armstrong released the contents of an eight-page letter he has sent to the ministers of his father's 65,000-member church. In it, he outlined his position and countered some of the personal attacks that have been made against him by his father and others within his father's church.

Armstrong said his new church will generally follow the doctrines of his father's church.

Armstrong indicated that none of his father's ministers had yet joined his church. However, his letter is clearly an appeal for ministerial support.

Armstrong's letter said he had delayed responding to some of the criticisms in the hope that he would not be subjected to further attacks. But, he said, there were indications that his silence was being taken as an "admission of guilt of some sort."

The elder Armstrong, accusing his

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ARMSTRONG

Continued from Third Page

son of creating dissension, stripped him of all executive titles in May and ordered him into seclusion with his family.

The younger man was forbidden to talk with anyone within the church, and early in June, when he began speaking out about his difficulties with his father, he was excommunicated.

Armstrong told the ministers "enormous and violent" changes have rocked his father's church and its affiliate organizations, Ambassador College and Ambassador International Cultural Foundation.

Armstrong said these changes had resulted in the dismantling of "the finest college on earth after 31 proud years and the cancellation of one of the most professional, respected and well-known television programs on the air."

Armstrong said he had received a letter recently from Stanley Rader, his father's confidant and adviser, offering him \$50,000 in annual retirement pay on the condition that he remain silent "about certain confidential information I have concerning the work."

Armstrong also said he was offered a rent-free church-owned cabin in Lake Tahoe, but "I was told that access to the cabin and my retirement could be terminated at any time with or without cause."

Armstrong told the ministers, "As of this writing I am no longer on salary. I utterly reject all such offers and all such strings attached. I will not live the rest of my days under the daily fear of having my livelihood snatched away from me."

Armstrong said he was never a "mere hireling paid a wage to speak what others told him to speak," but was instead "specially equipped, formed, tried, tested and shaped for my calling."

Armstrong said he was particularly concerned about accusations that he had contacted U.S. postal authorities in Pasadena "to intercept corporate mail and thus divert corporate funds."

These accusations, Armstrong said, are "libelous in the extreme." He said he has written to his father asking for an apology "to salvage my reputation."

Armstrong said he had been "stabbed in the back" by people he had placed confidence in.

But Armstrong said, "Maybe God wanted to free me from the shackles of monstrous debts, corporate inertia, politics, jealousy, hatred, cynical contempt, greed, ego and vanity."

Armstrong, who has deferred to his father's dictates in the past, said that "from henceforth I will bow my knee to no man."

Armstrong Forms Own Church

Evangelist Garner Ted Armstrong, recently banished from his father's Worldwide Church of God, announced yesterday he is forming his own church and will resume religious broadcasts. The organization, named the Church of God, International, will be based in Tyler, Texas. Armstrong said, and subscribe to the same basic doctrines as the 65,000-member organization headed by his father, Herbert W. Armstrong.

The 48-year-old Armstrong was stripped of his executive position with the Pasadena-based Worldwide Church of God and ordered to discontinue his church-affiliated broadcasts in May. Within a few weeks, Armstrong was excommunicated from the organization. The younger Armstrong initiated his own evangelical radio broadcasts last night from station WOAI in San Antonio, Texas, and said he will use his savings to pay the \$150 charged by the station for each half-hour show.

Q & A

8-6-1978

Garner Ted Armstrong

Picks Up the Pieces

After Excommunication

Garner Ted Armstrong is the only living son of Herbert W. Armstrong, founder and patriarch of the Worldwide Church of God and Pasadena's Ambassador College. After accepting his father's religion in 1953, he rose rapidly through the church hierarchy, promoting it on radio and television. Two months ago his 86-year-old father expelled him from the church. Last week, Garner Ted Armstrong established his own church in Tyler, Texas, called the Church of God, International. He was interviewed by staff writer Erik Lazar.

QUESTION: In a letter to his followers explaining why he expelled you from his church, your father charged you with gambling, drinking and trying to take over the church. How do you respond to this?

Armstrong: The reasons given in his disfellowship letter were either 90 percent or 100 percent erroneous in each case.

Q: Taking the allegations one by one, what is your response to the charge that you gamble?

A: I have played a few hands of blackjack on occasion, side-by-side with many other top executives in the work and many other ministers, all of whom know it. I have stood at the craps table and watched Mr. Stanley Rader (now the chief deputy and church

(Continued from Page A-1)

spokesman), gamble not once, but you know, various times and other people close to my father.

Q: Does this conflict with the teachings of the church?

A: I would have to take issue with the word gambling. I have done it so sparingly, and then in such moderate amounts and always with my own money that I don't see any severe conflict. If there had been a severe conflict I would feel that many of the other leading ministers and area coordinators who enjoyed it maybe once a year (also have a conflict).

Q: What about the drinking charge — that you drank heavily at times and at church gatherings?

A: I have sung in some of our festival occasions, our church socials, and people have gotten me a paper cup with a draft beer in it. I have had a little sip right in front of tens of thousands of church brethren. To say I have a drinking problem would be like saying I have a flying problem or a preaching problem or an eating problem. I like beer now and then. I very rarely drink any strong drink, and I drink beer in moderation.

Q: Your father said that you tried to assume control of the church several years ago, demoted some key people, and became embroiled in a power play. Is this true?

A: That's ridiculous. I was given total control in 1973 by a letter sent out to the entire church in which my father said he was turning over the reins to me. I've never heard a more ridiculous statement than I was trying to assume control. Everyone at the top of the church knows that there was no one in that organization who loves to delegate authority better than I did.

Q: Did you have any conflict with any other directors, specifically Mr. Rader as your father charged?

A: No major conflicts except various financial situations began to bother me and from time to time there were disagreements. But there were no serious conflicts that I would say placed me in an adversary relationship with Mr. Rader.

Q: Several years ago there was a split in the church, your father called it rebellion, and 35 ministers left. What was the cause of that?

A: A combination of many things not the least of which was the many major doctrinal changes which have been long since overdue. There was the issue over the day in which Pentecost should be observed, a major issue over divorce and remarriage and other, more peripheral issues.

Q: Didn't your support your father in taking a stand against the church's critics?

A: Yes. I said to one dissident who left, the only difference between you and me is, I would rather stay on the inside and try to work for meaningful change and you're going to leave and try to change it from the outside.

Q: At that time charges were made that the church had been extravagant, spending money for expensive personal furnishings and wasting other funds. Was that so?

A: I never felt that my father should not be able to live in a home of his choice, and I never did attack my father for his taste or style of life. I did have the deepest reservations over major financial decision which were made. I could not understand the auditorium (at the college) being built for the amount of money that it cost. The original contract was \$10 million but when you look at whatever the interest situation is and amortize it over 10 years you're going to have somewhere between \$20 to 23 million. I simply felt that to take on that kind of additional debt was foolhardy. Once it was decided though, I supported the decision. I was very up front with my father.

Q: Were there any funds misappropriated at this time, though?

A: Oh my, no. Not under any circumstances.

Q: How about squandering of funds?

A: I wouldn't use that word because I think it's an unkind and abrasive word. I think that whatever decisions were made were made in good faith.

Q: If there was over-spending who was at fault?

A: There, again, it was my father's ultimate decision but then there were other advisers from every corner who may have urged that the decision was correct, and he may have listened to them. As a matter of fact he did listen to them, far more than he listened to me.

Q: After the dissidents left, did dissension develop between you and other church leaders?

A: I knew of no dissent, and that's the crazy part. We had put together a team of seven men with whom I was interfacing almost daily with regard to the major element of the work that was going on. I did not have the faintest idea, but my father has now admitted in the same letter to which you refer that some of these men have been coming to him behind my back for one year trying to have me put out.

Q: Why?

A: I don't know. I really honestly don't.

Q: Did you make any unauthorized decisions during your directorship that might have been a cause of it?

A: Not one.

Q: Are you saying there was unity all the time you were there?

A: Absolutely.

Q: Then you weren't expecting your father to strip you of your positions with the church and college, end your broadcasts and banish you?

A: Oh my, no. Not in my wildest dream.

Q: Why did your relationship with your father break down?

A: My father is a very strong, self-willed man. He was trying to spank his boy, and this time his boy just wasn't going to be spanked. He always starts out his talks that he was called when I was 3, and in his mind I think he thinks I am 3. I did try to give him the humble acquiescence to his desires that he wished, but I was simply unable this time to roll over and play dead.

Q: Have you and your father ever been close?

A: Yes, not in the sense that you may mean it because we were a full generation apart. I never knew my father when I was growing up, he was away all the time. He was 38 when I was born.

Los Angeles Herald Examiner, Thurs., Oct. 12, 1978

Troubled Church of God Has New Crown

By LINDA DEUTSCH

Four months after the ouster of TV evangelist Garner Ted Armstrong, the troubled Worldwide Church of God has a new crown prince — a formerly Jewish lawyer-accountant who could inherit the rich religious empire of Armstrong's father.

Stanley Rader, smooth-talking adviser to ailing 86-year-old church patriarch Herbert Armstrong, has emerged as victor in an apparent power struggle that pitted father against son, with Rader in the middle.

The upshot was Garner Ted's "dis-fellowship" last June. Rader compares the father-son schism of Herbert and Garner Ted to the biblical story of

Q: Did you ever feel any hostility toward him?
A: Absolutely not.

Q: You have set up a radio program and church in Texas. Why?
A: There is nothing else I can do. I feel that the message I have for my people in this country and the world simply must not be still.

Q: Is this in defiance of your father?
A: Of course not. I mean, how could I defy my father when he's already put me out and excommunicated me? I mean beyond excommunication he has no further hold or claim on me at all.

Q: Do you intend to compete with him and draw members away from his church?
A: Of course not. That's not my purpose at all. He left me no choice. I think he knew that I would have to continue to speak and to preach. I don't see how it can mean competition for me to be preaching the identical message that I've always preached. I wasn't competing with him when I was preaching the message and I was in his good graces, how can I be competing with him when I am still preaching the same message and I'm not in his good graces.

Q: Will you solicit any membership or ministers from your father's church?
A: No I will not. I think each person must make their own decision. They must judge where the work is really being done.

Q: Do you still have any personal feelings for your father?
A: Of course I do. I love the man very dearly.

Q: Do you want to reconcile with him?
A: Definitely, if he does. That would be the greatest thing that could happen to the church. I think the people are praying for it.

Q: Are you going to do anything toward that end?
A: I can't. There is no way for me to get a hold of him. I've been kept from him since the very beginning of all this.

Q: Looking back on the entire problem, do you accept any of the blame?
A: Of course I do. I think I could have given my dad more of a subserviant attitude than I did. My father felt that I was a threatening and antagonistic son, and I felt that I was being a door mat. I feel my dad was determined he was going to spank his boy. That's the way I'd have to put it.

Q: And were you too proud to accept that?
A: Oh, no. I've taken it and taken it. He did it, didn't he? It looks to me like he did it.

Garner Ted Armstrong Replaced as Heir to Empire

David and Absalom:
"The son wanted to destroy everything the father had built."

Now, the mustachioed 48-year-old Rader occupies Garner Ted's former office, with its views of snowcapped mountains and the church's Ambassador College complex. He travels the world with Herbert and, by his own account, has taken Garner Ted's place in his father's heart.

"Mr. Armstrong has said publicly very often that I am a son in whom he is well pleased," says Rader. "The only other one he ever said that about was Ted Armstrong."

Rader, a convert, gave up a lucrative law practice in his rise to become general counsel and treasurer of the 75,000-member church.

In a four-hour interview, he lifted the secrecy surrounding the church, speaking of Garner Ted's alleged transgressions, his own conversion, the church's wealth and his role in its future.

He wore a white suit and dark glasses. There was only one question he declined to answer — the exact amount of his salary.

"My salary was always a little more than Ted Armstrong's," Rader

says. It is known that the son received \$85,000 a year plus such prerequisites as private planes and trips abroad.

The Worldwide Church's lavish spending on its leaders has been a sore point with its ministers and members. Some have quit in protest.

"We're quite wealthy," Rader says. Last year, the fundamentalist sect grossed \$68 million; this year it will be closer to \$78 million.

Yet, the church spends more than it gets — last year \$1.2 million more — but Rader insists it goes to the church's prime mission, to spread the word of a second coming of Christ.

Most members who Bobby F. Oust level of member church, festivals year for "Men Rader. without naturally it would be "What "is that stop bel

ARMSTRONG TEXAS CAMPUS SOLD FOR \$10.6 MILLION

The younger Armstrong was subsequently ousted from the theocratic empire of his father last June, and the Pasadena school is now operating on a vastly reduced scale. Students from the Big Sandy campus already had been transferred to Pasadena.

The Baptist Press announced last week that businessman F. William Menge had brought the Texas property and given it to the James Robison Evangelistic Assn. Robison is a Southern Baptist preacher. Robison's associates placed the property's value at between \$30 million and \$50 million, according to the Baptist Press.

The real estate includes 330 buildings, 25 houses, a 16,000-seat convention center, 60-acre lake, a 9-hole golf course, a landing strip, airplane hangar, four large dormitories and a gymnasium-auditorium seating 3,500. Robison was reported to have plans for youth camps, retreats, conferences and discipleship training on the site, as well as to build a retirement center.

Rader said the sale of the 1,600-acre facility, "pending approval of the church's Executive Committee" this weekend, had been consummated. The property was put up for sale by Armstrong after Armstrong reversed the decision of his son, Garner Ted Armstrong, to transfer college operations there from the Pasadena campus of Ambassador.



OPAL RINGS — Garner Ted and Shirey Armstrong, left, show the opal rings the brethren in Australia presented them in Burleigh Heads.

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Garner Ted Armstrong SPEAKS OUT!

Christmas and Christ's Birthday

P "Peace on earth, good will toward men" may sound trite and hollow this year. But in spite of terrifying world troubles, the traditional, commercial, chief of the "Christian" holidays looms on the horizon once again. Yet, chances are, you would flunk miserably in a simple test about its origins. Go ahead, take a chance and find out:

TRUE OR FALSE

1. Christmas is the birthday of Jesus Christ.
2. Santa Claus was one of three wise men.
3. The holly wreath is chosen because of its red and green color — and everyone knows red and green are traditional Christmas colors.
4. The Christmas tree is an ancient, pagan symbol.
5. Kissing under the mistletoe comes to us from an early American custom.
6. The "Christmas spirit of giving" comes to us from the example of the wise men at Christ's manger birthplace.
7. The yule log is only a strange name attached to a log our forefathers used to drag in to be burned in the fireplace.
8. We don't "wassail" anymore, because people can't hear us "wassailing" over their TV sets.
9. There are more murders in the 24-hour period including Christmas eve and Christmas day than during any other comparable period in the year.
10. We observe Christmas because of the Bible example.

ANSWERS

1. False. Scholars know Jesus was not born on or anywhere near December 25. The Romans anciently observed their "Brumalia" on that date. It was the "Saturnalia" season when the pagan Romans petitioned their imagined "sun God" to begin his annual journey into northern latitudes once more.
2. False. The Bible nowhere states there were three. Some historical evidence indicates there may have been twelve. "Santa Claus" is a figment of man's imagination.
3. False. The holly berries were used as ancient sex symbols, representing the propagation of life — fertility.
4. True. Read the "Origin of Modern Christmas Customs" on page 20 of this issue for further information on this subject.
5. False. Mistletoe is a parasite and was formerly a Celtic fertility symbol. Kissing under it was to "come under its spell." It was used by the heathen in sex rites and in worship of fertility.
6. False in two ways. The wise men gave their gifts to Christ. Modern people never seem to do this. They exchange gifts among themselves. Furthermore, the wise men never saw Christ in the manger. He was already in a HOUSE by the time they arrived — when he was several weeks of age (Matt. 2:11).
7. False. It was a symbol of fertility in the ancient Germanic religion.
8. You may be right either way. Wassailing could get you mugged, robbed or raped — and people

don't generally appreciate neighborhood singing anyway.

9. True. The "spirit of Christmas" in bottled form has been a direct contributor to this shocking fact from police blotters.

10. False. The Bible nowhere identifies the exact date of Jesus' birth — even conceals his age by saying he was "about" 30 at the beginning of his ministry. Rather, the Bible condemns learning pagan, heathen customs and then using *them* to celebrate events concerning the life of the true God. (Read Deuteronomy 12:30-32.)

Score yourself "Excellent" for 9 or more correct, "Good" for 7 to 8 correct, "Fair" for 5 to 6 correct, "Poor" for 2 to 4 correct, and "Utter Flunkout" for having only one correct, which could have been answered either way.

Millions in the Western world will take temporary time out from their usual activities to become submerged in the flood tide of annual Christmas shopping, traffic jams, parties, and exchanging of gifts.

Somehow all the clamor, noise, confusion, and commercialism are supposed to have something to do with Christ's birthday.

But does it, really?

Plain Facts About Christmas

Ever wonder what "wassailing" had to do with wise men, mistletoe with the Magi, martinis with Mary, Santa with saints?

First, let's admit some widely known facts. Christmas is never mentioned in the Bible. The wise men arrived at Christ's place of birth long after (numerous scholars admit as much as several weeks) he was born. Scholars freely admit he was not born on or anywhere near December 25. (Read the proof in our free article "When Was Jesus Born?") The Magi gave their gifts directly to Christ and didn't exchange them among themselves.

Christmas Antedates Christianity!

Christmas, say all the authorities, long antedates Christianity. Its origins go back to pagan Babylon, Greece, Rome, and Egypt.

There, in various guises, similar customs were observed by these ancient pagans on the birthday of *their* god — the god of the sun. They observed his fanciful birthday at the time of the "Saturnalia," which took place at the time of the lowest ebbing of the sun toward the south (in the northern hemisphere) and the beginning of its journey back toward spring and summer.

They had various symbols. Symbols stand for things. These stood for a wide variety of pagan superstitions involving the source of life — fertility. They had a little tree, which was supposed to have grown up overnight out of an old dead log. The tree was a precursor of the modern-day Christmas tree.

They had wreaths of holly, because it was one of the rare plants still producing little round berries even in the snowy north. They used mistletoe because it was a fertility symbol.

What Is the Difference?

But so what? Aren't these facts more or less common knowledge?

Sure they are. They are published in religious newspapers and cheerfully admitted by religious editors each year. Then does it make any difference?

Not if there isn't any God.

But what if there is?

Then it would make a lot of difference — especially if that God says a great deal about these very same customs in his Word!

And God says it does make a great deal of difference!

You'll be positively amazed, shocked, when you read *The Plain Truth About Christmas!* In this free booklet are facts you simply can't afford to be without — yet it costs

you absolutely nothing. It is free of charge!

Here, revealed directly from authentic historical sources and from your own Bible is the story of Christmas and what *you don't know* about it.

It's the biggest holiday of the year, but you've probably *never looked into its meaning!* In this booklet you'll read the incredible truth about all the accompanying paraphernalia of this season. You'll be challenged. You'll be shocked!

So, before you forget it, write for it right now. □

State Files Suit Against Armstrong's Church Empire

JAN.

BY MICHAEL SEILER and BERT MANN

Times Staff Writers

1979

The state attorney general's office has moved to place in receivership the Pasadena-based Worldwide Church of God and other components of Herbert W. Armstrong's \$80 million religious empire, *The Times* learned Wednesday.

The attorney general's office, in a suit filed Tuesday, charged Armstrong and his chief aide, Stanley R. Rader, among others, with "pilfering" church assets at the rate of "several million dollars a year" and destroying vital financial documents.

The suit also argues that Armstrong, Rader and others are currently liquidating much of the church's properties at prices well below market value.

Also named as defendants in the suit are, among other individuals and corporations, the church itself, and its offsprings—Ambassador College and Ambassador International Cultural Foundation, which controls Ambassador Auditorium in Pasadena.

Los Angeles Superior Court Judge Jerry Pacht Wednesday issued a temporary restraining order—as requested by the attorney general—stopping the two men and other church officers from continuing to sell church property.

Pacht also named a temporary receiver, retired Superior Court Judge Steven Weisman, to control the financial affairs of the church and its affiliated organizations pending a Jan. 10 hearing on the suit.

The ailing Armstrong, 86, was not available for comment, but Rader, 48, termed the attorney general's action "unconscionable."

Rader, in a brief prepared statement, said the court order had been "issued improperly and without factual basis. . . ."

Unnamed in the suit on either side was the church patriarch's 48-year-old son, Garner Ted Armstrong. The younger Armstrong, a popular radio

Please Turn to Page 25, Col. 1

State Charges Armstrong and Aide

Continued from First Page

and television evangelist, was excommunicated by his father last year.

Garner Ted had, in effect, accused his father and other administrators of the Worldwide Church of God of financial malfeasance.

Banned from the church, Garner Ted retreated to Tyler, Tex., where he started his own Church of God International.

Reached there by telephone Wednesday, the younger Armstrong denied any connection with the attorney general's suit.

He termed word of the suit "tragic news" and expressed his concern for church members. "The shock to very dedicated and sincere people in the various institutions must be enormous," he said.

Garner Ted also said he was worried about his father's health and the possibility that word of the attorney general's move might worsen it further.

The elder Armstrong had a heart attack in July, 1977, that confined him to his home in Tucson. Before that he had been criss-crossing the globe in his Grumman II jet to meet with world leaders in such places as Israel, Egypt, India and Japan.

Since his illness, Armstrong has

made few appearances before his followers and has cut off all contact with his family.

Armstrong's age and ailing health had triggered reports of a power struggle between his son and Rader.

At the time, Rader vigorously denied the reports. However, in subsequent months, Herbert Armstrong banished his son and then excommunicated him when Gardner Ted refused to isolate himself and remain silent about church matters.

The older Armstrong accused his son of disobedience and of trying to assume unilateral power.

The younger man broke his silence in an interview in which he described his father's theocratic empire as fear-ridden and facing serious financial difficulties.

Since then, the Armstrong church has put up for sale its campuses in Bricket Wood, Eng., and at Big Sandy, Tex., and has sold off homes on the periphery of the Pasadena headquarters.

It is these and other properties that are at the heart of the attorney general's suit.

The attorney general, with six complainants—all former members of the Worldwide Church of God—make the following charges against Herbert W. Armstrong, pastor general, and Rad-

er, who serves as treasurer and general counsel.

—They failed to provide an accounting of the church's financial position, as provided by state laws governing charitable organizations.

—They siphoned off property and assets of the church "for their own use and benefit, on a massive scale, amounting to several million dollars per year." The suit terms this "pilfering."

—They liquidated church-owned properties "on a massive scale," including about 50 parcels of land in Southern California.

—They have entered into an agreement to sell the Big Sandy property, valued at \$30 million, for \$10 million.

—They "shredded and destroyed" written records of financial dealings after removing them from the church's Pasadena office.

Asst. Atty. Gen. Lawrence R. Tapper said Wednesday state officials were particularly concerned with the Texas property.

It had been due to change hands today at a price, state officers fear, is far too little.

"It's the public's property we're talking about," Tapper said, explaining that since the church is a nonpro-

fit charitable organization, its property is, in a sense, public.

Tapper said the attorney general's office is not involved in the ongoing dispute between the two Armstrongs, nor, he said, is it acting on Garner Ted's behalf.

"We're not trying to interfere in any of the activities of the church or college," Tapper said. "All we're doing is seizing books and records . . . to assure ourselves that there isn't anything very much amiss here financially."

Meanwhile, a spokesman for the Ambassador International Cultural Foundation—an arm of the church—said the court order will not affect the Bing Crosby Youth Fund Benefit show scheduled for 7:30 p.m. today in the Ambassador Auditorium in Pasadena.

Church's Records Seized

Church of God Target Of State Investigation

Property records and bank account information of the World Wide Church of God and two of its properties were seized yesterday by the state Attorney General's office.

"We are going to find out what is happening to tens of millions of dollars in funds of the church. We understand there has been a rapid liquidation of funds in recent months," said state Deputy Attorney General Lawrence Tapper.

Tapper said a complaint seeking a full accounting of funds of the church, Ambassador College and Ambassador International Cultural Foundation, Inc. had been filed in Superior Court. The legal action was taken by six longtime members and contributors to the Pasadena-based church. The probe also involves associated entities and individuals, Tapper said.

"Dozens and possibly as many as 50 pieces of real estate held by the church have been sold in the last few months," Tapper said.

The church and its two properties also have been placed in receivership, Tapper said, with Steven Weisman named temporary receiver. A Jan. 10 hearing in Los Angeles Superior Court has been set for the church to show why a permanent receiver should not be appointed, Tapper said.

Stanley Rader, top aide to 86-year-old Herbert W. Armstrong, founder of the church and college, confirmed that an order has been issued to place the church, college and cultural foundation in temporary receivership and to restrain them from carrying out normal operations.

"The order has been improperly issued and is undoubtedly unconstitutional," said Rader, general counsel and treasurer of the 75,000-member church. "We will be going to court for the purpose of dissolving the order."

Rader said the the action was based on "wild conclusions and things that are not true." He said it was triggered by a disgruntled former church member "who didn't like the way tithes and voluntary contributions are used to spread the gospel of Jesus Christ."

"The action has already caused us irreparable harm," Rader said.

He added that similar problems with disgruntled persons have plagued the church over the 30 years of its existence.

Tapper said that among the financial matters to be probed is the sale of the college's campus at Big Sandy, Texas.

"We understand from announcements by Mr. Rader and others that effective Jan. 4, the Big Sandy campus was due to change hands for \$10 million dollars, although it is supposedly worth \$30 million."

When authorities appeared to seize records yesterday, some administrative employees locked themselves inside the college. But other college officials cooperated with authorities, it was reported.

A spokeswoman in the college public relations office said the records seizure was a church matter that did not involve the college.

Rader, 48, is a formerly Jewish lawyer-accountant. In June, 1978, after an apparent power struggle, he took the place of the church founder's son, radio-television evangelist Garner Ted Armstrong.

"Mr. Armstrong has said publicly very often that I am a son in whom he is well pleased," Rader said in an interview a few months ago. "The only other one he ever said that about was Ted Armstrong."

"We're quite wealthy," Rader said of the church. "Members can join the church without giving any money, but they are taught scripturally it would be a sin not to tithe. It would be stealing from God."

In the interview, Rader said the fundamentalist church grossed \$68 million in 1977 and anticipated greater income during 1978. But he said that to spread the gospel the church had been spending more than it was taking in, running up a deficit of \$1.2 million in 1977.

Armstrong Suspends Appointee

A new director of the Worldwide Church of God, C. Wayne Cole, was named yesterday by a court-appointed receiver.

But the church founder, 86-year-old former radio-television evangelist Herbert W. Armstrong, immediately suspended Cole from the ministry, said church executive Stanley R. Rader. Officials at the church's Ambassador College of Pasadena said Cole had been named by retired Los Angeles Superior Court Judge Steven Weisman to take charge of the institution.

Weisman's appointment came Wednesday, after the state Attorney General's office seized the church's bank accounts and property records. The action stemmed from reports that tens of millions of dollars in church property may have been liquidated in recent months. Rader, 48, said Cole was appointed by Weisman, who has no authority to do so.

Rader described Cole as "a prominent member of the ministry." But he added that "at the present time we consider his status would be that of a suspended minister."

FOUR BANISHED IN CHURCH STRIFE

18/79 BY BERT MANN

Times Staff Writer

Four top officials have been excommunicated from Herbert W. Armstrong's Worldwide Church of God amid growing signs that the 86-year-old absentee patriarch's \$80 million theocracy may be crumbling.

The excommunications of C. Wayne Cole, David Antion, Robert Kuhn and Ben Chapman were announced Saturday at the church's Pasadena headquarters at the end of a turbulent week that saw Armstrong's 45-year-old empire placed in temporary state receivership because of allegations that millions of dollars in church assets have been siphoned off.

In court last week, there were accusations of shredding of documents, a Swiss bank account for the church and holdings of gold bullion, with allusions to more revelations to come.

In church parlance the four excommunicated men have been "disfellowshipped," which means that other church members are under penalty of excommunication if they have anything to do with them. None of the men could be contacted.

Until Friday, Cole had been head of the church's worldwide ministry and its longest serving minister. Antion, a brother-in-law of Garner Ted Armstrong, the banished son of the patriarch, Kuhn and Chapman all have held top posts in the Armstrong organizations. These include the 96,000-member church, Ambassador College and Ambassador International Cultural Foundation, Inc. Chapman is married to the widow of Garner Ted's older brother Richard, who died in the 1950s in a car accident.

Hours after the excommunications were announced by Roderick Meredith, Cole's successor, the State Department of Justice assigned 20 additional security personnel to protect church records after church security forces tried to enter the administration building to change the locks.

The excommunications and related events have generated widespread confusion within the church. One top minister said some followers are considering joining Garner Ted, who formed his own radio Church of God International in Tyler, Tex., after being banished by his father eight months ago for refusing to isolate himself and keep silent about church affairs. The older Armstrong had accused his son of trying to seize power.

The same minister said some Armstrong followers are "so confused they don't know which way to turn," while other loyalists he described as "holy fools" will stick with the elder Armstrong and his personal adviser Stanley R. Rader "no matter what happens."

The minister said he and others are awaiting the outcome of a Los Angeles Superior Court hearing Wednesday on the receivership before deciding on a course of action. Until then, he preferred not to be identified.

Rader and Armstrong, who remains in virtual isolation in Tucson, Ariz., have been accused by the California attorney general and six former

church members of "pilfering" church assets at the rate of "several million dollars a year" and of destroying vital financial documents. The younger Armstrong is not named in the accusation.

Last Friday before Los Angeles Superior Court Judge Vernon Foster, attorneys for Rader and Armstrong unsuccessfully petitioned for a withdrawal of the orders putting the church in receivership after charging that such orders are "violations of the constitutional right of freedom of religion."

But Judge Foster noted that the state, while concerned also with religious rights, has a responsibility to see that charitable organizations disperse their funds in accordance with their public trust.

Meanwhile, Hillel Chodos, attorney for the former church members who initiated the legal actions against the church, accused Rader of misleading the elder Armstrong about the nature of the court order.

Armstrong last Thursday had ordered his followers to cooperate with authorities and appointed Cole as his acting executive director to help in that cooperation, but on Friday Armstrong changed his mind, booting out Cole and appointing Meredith as his top representative.

This was after Cole and his followers clashed with Meredith supporters in a shoving and shouting match in the ornate Ambassador auditorium.

Chodos asserted that "Mr. Rader apparently went to Armstrong and persuaded him to rescind his order to cooperate."

Rader has not been available for comment since Friday's court hearing.

Chodos also produced in court a shredding machine with shredded documents still in it which he said had been obtained by court-appointed officials from Rader's offices. Rader's attorney, Allen Browne, maintained, however,

that the machine had been in the offices since last May when Garner Ted Armstrong occupied them and before his banishment.

Chodos also alluded to gold bullion deposited in a church vault and a church account in the Union Banque de Suisse indicating he has supporting evidence for these and other allegations that will be presented Wednesday.

Shoving, Shouts Punctuate Armstrong Church Dispute

1/6/1979

BY MICHAEL SEILER and BERT MANN

Times Staff Writers

The battle for control of the Pasadena-based Worldwide Church of God erupted Friday into a shoving match between followers of two contending church leaders at a meeting of clergy and lay members in the ornate Ambassador Auditorium.

Amid shouts of outrage, C. Wayne Cole and an entourage of supporters pushed their way into the hall, only to discover that Cole—who had been named chief administrator of the church on Thursday—had been boot-ed out on Friday.

Another clergyman, Roderick Meredith, took the podium to announce that word had been received from 86-year-old church patriarch Herbert W. Armstrong—ailing and in seclusion in Tucson—that Cole was out and he, Meredith, was the new head man.

Armstrong, who had ordered the assembly to have his decision announced, remained in Tucson and the

result in Pasadena was total confusion.

Cole tried to take the podium as the meeting of about 2,000 persons broke up, but a phalanx of Meredith supporters interceded. Cole attempted to walk on anyway, but suddenly Meredith himself blocked his path.

Meredith grabbed Cole's arms and threatened to call the police.

During the confrontation, supporters of both men engaged in a shoving match and, later, two clergy members who support Cole said they had been punched by Meredith backers.

The tense moment passed when Cole backed away, leaving the hall with his supporters flinging charges of "outrage" and "travesty" at Meredith in their wake.

Meredith's succession to the job of executive director of the \$80 million religious empire was far from certain as the battle shifted from the auditorium to a courtroom in downtown Los Angeles.

There, lawyers for both sides gathered in Superior Court to argue their case.

On one side in the preliminary hearing were representatives of the state attorney general and dissident church members who generally support Cole.

On the other were lawyers for church general counsel and treasurer Stanley R. Rader, who supports Meredith in the power struggle.

The hearing was an outgrowth of a suit filed Tuesday by the attorney general's office and dissidents charging Armstrong, Rader and other church officials with siphoning off church assets at the rate of "several million dollars a year."

As requested in the suit, a temporary receiver—retired Superior Court Judge Steven Weisman—has been named to oversee the financial affairs of the church.

Armstrong apparently sent word from Tucson Thursday that Rader was relieved of primary responsibility for management of the church, Ambassador College and Ambassador International Cultural Foundation, which controls the lavish auditorium, and was replaced by Cole.

Weisman announced his approval of Cole's temporary stewardship over business matters, but just a day later, Armstrong seemingly changed his mind, naming Meredith to the top spot of worldwide director of pastoral administration.

Friday's extraordinary evening hearing—which began at 4 p.m. and did not end until 8:30—ended in what appeared to be a draw.

Judge Vernon Foster, seemingly siding with the Rader-Meredith forces, instructed temporary receiver Weisman to refrain from interfering with activities of the church, including its financial affairs.

But, on the other hand, Foster seemed to land a blow for the dissidents when he instructed the church and its officers to cooperate with Weisman, pending another hearing Wednesday when legal arguments will continue.

The bitter struggle centers on five major figures.

—Armstrong, founder of the church and for many years its spiritual and business head. He had a heart attack last year and his ability to cope with a flock breaking apart is

in serious doubt, church observers say.

—Garner Ted Armstrong, the patriarch's 48-year-old son. A flamboyant radio and television evangelist, he was in effect exiled to Texas last year after accusing his father and top church management of financial bungling.

Rader, the elder Armstrong's chief business adviser, who stands accused by the attorney general of "pilfering" from the church's treasury and selling church property at prices well below market value for personal gain. Rader was superseded as the chief administrator Thursday by Cole.

—Cole, considered second only to Garner Ted in popularity among the Worldwide Church of God's 75,000 followers, and an opponent of Rader.

—Meredith, identified with the conservative faction of the church and a supporter of Rader.

Friday's meeting and the confusion in its aftermath centered around the question of who would oversee the financial interests of the church now that the state, in a civil rather than criminal action, has cast doubt on the honesty of the senior Armstrong and Rader.

Weisman, the court-appointed temporary receiver, told Cole his position was secure.

Despite Weisman's reassurances Cole seemed shaken by the auditorium confrontation.

Cole met later with 20 ministers and area coordinators, telling them he had doubts about making a fight of it. Cole said he might "just walk quietly out of here (the church's headquarters) and you may never see me again."

Cole, one of the few church leaders who has had frequent access to Herbert Armstrong in Tucson, told the group he met with the elder Armstrong last month and urged him to remove Rader from all his posts.

Meredith, on the other hand, appeared confident during the assembly.

He read to the overflow audience an affidavit that the elder Armstrong had submitted to the court. In it Armstrong said he had "commanded Meredith, Rader and others "to do everything possible to protect the church's operations under me."

Also in the affidavit, the church patriarch said his decision to remove Cole from the leadership post was made "because Mr. Cole had not presented all the facts to me."