

INTEROFFICE

Date: January 20, 1979

From: C. Wayne Cole

Subject: Personal Notes re: Recent Events

The enclosed papers are my personal notes. I have not edited them, corrected them nor completed them. They were taken down at the time of the events, i.e. telephone calls. I began to put them together into this presentation but did not complete it.

INTRODUCTION

The following is a presentation of all the information that I believe explains and substantiates my involvement and my innocence in the recent crisis.

I would like to believe that it goes without saying that my life has been devoted to the Work of God since my conversion in the early 1950s. Wherever I have had the opportunity to serve through the years I have tried to be industrious, effective, people-oriented, God-fearing and a receptive tool to God and His Holy Spirit.

Many mistakes have been made along the way. Some of them I know about while there are many others that I'm sure I don't realize. But, can anyone look along the back trail and imply willfully wrong intention, purposely wrong motive, deliberate error, willful sin? No, I think not. Can any deny that fruits of God's Spirit have been produced by my labors?

Before my God who I fear as my ultimate Judge, I can honestly say that I have never knowingly done anything that was intended to injure, bring ill repute or criticism on Mr. Armstrong or on this Work in any way. To the contrary a great deal of effort, prayers, toil, frustration, agony and emotion has been spent in defending when the Work was under attack, upholding Mr. Armstrong's hands, supporting the ministry, the doctrines, etc. I often got caught in the difficult place between Mr. Armstrong and his son Ted. I have said on several occasions to Mr. Armstrong, "Do you have any idea what it's like to try and serve two Armstrongs?" He always replied that he guessed he understood. It never really bothered me to find myself in such a vise. I assured both that anything was OK so long as we get the Work done.

After a long record of loyal service I now find it impossible to understand the precipitous expulsion from all association with the church or ministry. I appeal to those who can supply the answers to at least recognize me for the good things that have been accomplished and show enough deference to explain the actions taken in detail.

DOCTRINAL

Reports are reaching me that I am criticized for doctrinal disagreement with the Church. Why don't the critics bring forth their questions?

In mid-1978 Raymond McNair and I had lunch at the Pasadena Hilton Hotel. The purpose was specifically for him to ask me a series of doctrinal questions to satisfy himself about my beliefs. At the end of that discussion he indicated satisfaction. If further question existed in his mind why didn't he say so at the time?

Frankly, I have heard of more liberal views on a few major doctrines by other senior, conservative ministers than I personally hold. For instance, I have some question about part of the doctrinal understandings that allow Raymond McNair to have divorced his wife and now be remarried. My views concerning the sanctity of marriage are quite conservative. Herman Hoeh recently made some statements in the "Doctrines Class" re: the Sabbath that I have never said. Dennis Luker while in Australia had his children going to school during the Feast of Tabernacles. This I have never done. Some of my sermons in recent years of the need to observe and why we keep the Feast have been highly hailed as powerful and meaningful. This is not a boast but is said only to emphasize the point that I have preached strongly about the Feasts. Copies of letters from Dennis Luker to the church members in Australia outlining changes in tithing—especially 2nd and 3rd tithing—are available for those interested. I have never made such official statements.

So much for doctrine at this time.

POWER AND POSITION

The question of being power hungry arises. Because I have worked hard, tried to be fair, administered with mercy and made friends, I now find myself in a popular position. This popularity coupled with my being a veteran having served internationally and now being middle-aged in physical years results in others seeing me in an ever increasing leadership role.

Many people have heard me say that I do not want power. I am not after position. But what would it take to convince people of this. Is it necessary to be a failure so that others will not look at you for leadership? I have no intention of letting people down if I am able to help it.

More concerning this "power" and "position" matter will come out later in examining documents attached to this presentation.

It has always been my understanding that we are here today to learn how to govern and assist Christ in administering the World Tomorrow. The example of the way this case has been handled is not indicative of having learned much about how to govern with fairness, mercy, equity and justice. Perhaps this experience will help all to learn.

INVOLVED WITH GTA

One final point: It now comes to my ears that I have been in regular contact with Ted and perhaps working with & for him. This is patently untrue.

I do not remember the date but at about the time of Ted's disfellowship I had a telephone call from Ted. He called me. It was not a pleasant conversation as he imputed motives against me for staying with the church, being weak for not standing up for "right", etc. I never spoke to Ted again following that call until recently which is covered later in this writing.

Raymond McNair, on behalf of the College and I for the Church were required to send official letters to Ted asking him to return all church properties. This occurred sometime in late spring or early summer. Ted called me (as he did RFM) after receiving the letter but I did not take his call and did not return the call later. I did not hear from Ted again until recently. That account follows.

On December 4, 1978 a telephone call from Ted came into my office while I was out to lunch. A message was taken by a secretary with a request for me to return the call.

My notes taken during the calls that followed are reproduced below:

Monday, Dec. 4, 1978 — Telephone call from CWC to HWA in Tucson

During the lunch period on this date Ted Armstrong called to speak to me. Since I was out of the office he left a message stating that "Mike Wallace has been hounding me to death." He said he "felt that CWC was the only one who can get through to his father."

Rather than return Ted's call, I called HWA in Tucson to ask his counsel before speaking to Ted and/or whether Mr. Armstrong wished me to speak to Ted at all. In my discussion with Mr. Armstrong I said that Ted wished to speak to me about what he considered very important matters and wanted me to return his call. I told Mr. Armstrong it had something to do with Mike Wallace and the "60 Minutes" CBS TV program. In the course of our discussion Mr. Armstrong felt it would be good for me to call Ted and be a "go-between." He asked me to convey the essence of the following message:

"Ted, I had to do what I did to get the Church back on track. It was not a personal attack against you but I could not let the church and college continue to go the way that they were going. If you, Ted, will admit that you were wrong in the way that you left us and what you have done, I would be happy to see you back in the Church."

"I love you Ted, very much and do not wish to get between you and God and harm your eternal salvation."

Further in this conversation, as a result of hearing about Ted's threats to go on "60 Minutes" and talk about family problems Mr. Armstrong said very close to the following words: "Wayne, I am staying alive by sheer determination and struggle. I have felt that I need to live to get this straightened out. It would be very easy to sit down and relax, stop struggling and it would not be very long. I do not think I could be replaced... (CWC

interjected that no thought should ever be given to replacing him)... but I guess it will be up to you, Wayne, to try."

I assured Mr. Armstrong that several of us in the ministry were committed to carrying on with the institutions he was used by God to build. He assured me he knew this. The call ended with final instructions for me to call Ted and to call him back.

(I want to state emphatically that I did not take seriously his comments about me carrying on. I realize that he might say similar words to any number of several senior ministers in circumstances like this telephone call.)

Tuesday, Dec. 5, 1978 — Call to Ted at Tyler, Texas

Since it was now late in the day, I did not call Ted that day. The next morning, Dec. 5, 1978 I called Ted at his Tyler, Texas number. Notes of that conversation are as follows:

Told Ted that I had called his father before returning his call and that Mr. Armstrong had asked me to be a go-between. I told Ted that his dad had a message for me to give him. Ted said that he also had a message to give to his dad but he wanted to hear the one I had for him first.

After hearing the message Ted said, "that's pretty hard for me to believe." (Referring to the comment about not harming eternal salvation.) Ted continued to comment on the horror at hearing that his dad compared him to Jim Jones in Guyana.

Then Ted said I want you to give my dad the following message (this is close to being a quotation though not necessarily word perfect):

"Mike Wallace has called me repeatedly. On two occasions I have talked with him for approximately three hours. They have already done their homework and may do a show on the Worldwide Church whether or not I cooperate with them. Mike Wallace has called me a G.D. SOB for not already saying I will appear on the show. I don't really want to go on '60 Minutes'.

We concluded our telephone call with Ted's urging me to do whatever I could to get his dad to give him a call. I told him I'd pass the message along.

Same day, Dec. 5, 1978 — Call to Mr. Herbert Armstrong in Tucson

That same day on Dec. 5, 1978 I called to Mr. Herbert Armstrong in Tucson again. I passed Ted's message along as closely as I could to the way it was given to me. I felt very badly about having to mention what Ted had said about the problems the family had borne but since Mr. Armstrong had asked me to be a "go-between" I felt it was my duty to relay the message as accurately as I could.

This call with Mr. Armstrong was not a long call. Mr. Armstrong was noticeably affected by the comments I made that Ted had asked to be relayed. He did not give me any indication as to what he felt Ted had in mind about the past.

This call ended with Mr. Armstrong saying that he was going to call Ted. I told Mr. Armstrong that I was not suggesting that he call him but that I was just passing on the message I had been requested to give.

Sunday afternoon, December 10, 1978 — Call from Mr. Armstrong

The next contact with Mr. Armstrong came on Sunday afternoon December 10, 1978. I believe Mr. Armstrong was calling from his Pasadena home. I was at my home in Glendora.

Notes on that call are:

Mr. Armstrong wanted further clarification concerning just what it was Ted hoped to accomplish by a telephone call from him (HWA). I told Mr. Armstrong that Ted's message was that unless he heard from his dad so they could come to some kind of agreement which would result in the ceasing of both writing and speaking about alleged problems and weaknesses, mismanagement, errant leadership, etc.

Mr. Armstrong asked whether or not Ted had given any indication of the hope of going back into the Church. My answer had to be "no", he merely wanted to discuss means of stopping the charges and allegations of "60 Minutes". Mr. Armstrong then said, "I will answer him with silence."

Mr. Armstrong further said, "What makes Ted think he can get on '60 Minutes'?" My answer was that Ted had indicated that he was not trying to get on the show but rather that Mike Wallace was urging him to appear. Mr. Armstrong then said that Stan Rader had spoken to officials in CBS headquarters and was given assurances that there would be no comments made on their network slanderous against Mr. Armstrong or the Work. He continued to comment on the interest that CBS had shown in purchasing QUEST magazine. Although he did not say so in so many words Mr. Armstrong gave the positive inference that he was sure there would be no "60 Minutes" program about this Work.

After we had finished with this part of the telephone conversation and it seemed that the call was about to end, Mr. Armstrong said, "Wayne, I do have a problem which I would like to discuss with you in the strictest confidence."

(Mr. A brought this up out of the blue. I was as surprised as any person could be to hear him saying the things he was telling me.)

"Every time I speak anywhere, Stan Rader always wants to follow me and speak after me. I have been told that many of our members do not appreciate this practice and I don't know what to do about it. He always writes out his notes and pretty well reads from them in making his comments. Stan is a very brilliant man in many ways but he certainly is not an effective speaker or preacher. He has had plenty of opportunity to speak and if God were calling him into the ministry we would have seen his development long before now."

At this point I interjected and said to Mr. Armstrong that down through the years I had personally had no problem in supporting, respecting and defending Stan. It always seemed very obvious to me that Mr. Armstrong should have the prerogative to select his own personal, legal and financial counsel. However, increasingly remarks that are made against Stan are said because they (the members) see him too much "front and center" on stage. There has not been a major problem for people to accept Stan as an advisor, counsellor and help to you, but when he begins to be side by side with you before the people rather than behind you as your helper, people become suspicious. There is much concern about Stan's possible future in the Work. Loss of esteem, respect, and credibility for you results from your either allowing or placing Stan in too high or prominent a profile. Mr. Armstrong realized all the things that I said and added much more of the same nature but he repeated on several instances, "I don't know what to do about it."

He said, "I have never given any indication that Stan should take over the Work following me. If he were ever going to be in the ministry, God would have made that clear by now with all the opportunities he has had."

Mr. Armstrong continued, "I (HWA) told Stan when I went to Big Sandy a few months ago that he was not going to speak that day. Buck Hammer had told me that if Stan were to speak it might be a big problem to a lot of people. I accepted this counsel and told Stan he was not going to speak. He was very angry about it and has never let up on it, continuing to remind me about it. If I say anything to Stan even very gently about this problem he flies into a rage and screams at me. He is very sensitive about this. He gets into such a rage that he is opening himself up for a demon at these times."

I assured Mr. Armstrong that I was not suggesting he should say or do anything that would cause him further problems now. I realized this was an extremely sensitive matter and that he should not take any action at this time. (He was leaving the next day on the trip to Israel.) I assured him we would pray about the problem and ask God to give him wisdom about how and when to handle it.

Mr. Armstrong further commented that in light of some of the recent occurrences that have taken place, maybe Stan does feel that he will take over the Work. But, "Wayne," he said, "I am trusting that you and others will not let this happen. It is up to God to select a successor but I don't want in any way to see Stan taking over."

Mr. Armstrong repeated several times how big this problem was to him and how uncertain he was about how to handle it. He even suggested that some of us may let it circulate about that there is a large amount of distrust and disrespect toward Stan. He further suggested that perhaps a few letters could be written to him highlighting this point so he could show them to Stan. I told him I did not believe this would work. But, I told him that I did believe that God would somehow provide the answer and we would pray for His guidance.

Our conversation concluded with best wishes for Mr. Armstrong's trip and his good health all the way.

While Mr. Armstrong was away on the trip overseas I had no contact with him at all.

Since it was now school vacation, I took a couple of days off from work and had gone to the mountains to ski with my youngest son, Richard.

On Thursday of this week, Dec. 21, 1978 while I was in the mountains, Frank Brown called my home from England. He spoke to my wife, Doris. He wanted to know if we knew why Mr. Armstrong had returned from England to the USA so suddenly. This was our first knowledge that Mr. Armstrong and his party were returning home before schedule. I thought Mr. Armstrong would contact me if there were any reason for the return that concerned me. He did not call.

December 26, 1978 — Call to Mr. Armstrong in Tucson

Finally, I felt it was proper for me to call Mr. Armstrong welcoming him home and asking how his trip had gone. I made the telephone call to him in Tucson on December 26, 1978.

Notes of the call are as follows:

Called to welcome him home from his trip to the Mid-east. Asked him how he had fared and was he in good health and strong? He assured me he had made it in good shape and was feeling fine.

He said he had just as I called finished his letter to the full P.T. mailing list covering subjects mostly pertaining to his recent trip. Said he had a wonderful trip... saw everybody including Begin... talked at length about trip and him being honored... plaque at Liberty Park, etc. Spoke about seeing Moshe Kol who is now with ICCY... they have kept ICCY alive for some years now... it was founded by Eleanor Roosevelt. Have courtyard in front of their building and it is called the "Herbert W. Armstrong Square".

Said now that he had seen Begin, he was now going to see Sadat in Cairo in February. Third week in Feb. trip to Egypt then (said in April he planned to go to Japan).

Said Stan unsettled about some of what Ted is putting out. He felt it was terrible but he didn't believe people would believe Ted. I responded to this by saying I wanted to talk with him sometime privately about this. I indicated that nearly all the criticisms we hear anymore from both Ministry and readers... principally members... concern Stan in some way. I said an awful lot of that kind of criticism coming in. Mr. Armstrong replied, "I'm afraid so." He continued to say, "that's a problem to me, Wayne, and I want to talk privately to you about it." He went on to say that "Stan insists on speaking when I do a program. And, that's a problem. That's what Larry Neff tells me."

I reminded Mr. Armstrong about his bringing up the subject on the Sunday before he left on the recent trip. I told him I had given a great deal of thought to the problem and wanted to talk with him as soon as it was convenient for him. He told me that anytime I wanted to come to Tucson I could and we would be absolutely private. I said, OK for late this week? He said, fine.

I continued to comment about my concern for the Work God had used Mr. Armstrong to build and it bothered me very much when Mr. Armstrong had to be criticized not for what he is doing but because of other people.

He said Stan is wanting to bring a lawsuit against Ted but I have held him off... Stan wants to put Mr. Schroeder out of the Church because Schroeder heard a rumor about Stan but won't tell Stan where he heard it. Said I don't think that's grounds for putting a man out and I told him so. Said I am very concerned about this, but Stan is such a valuable man. Did not want to say anymore about it on the phone. He then said again that we should have a talk about it. He said, "It would be better if it isn't known that you're here." I assured him I would keep it quiet. He then said "I could come in there and see you there." I told him I should go his way.

I brought up the Jan. Ministerial Conference. Asked him if everything was OK for the Conf. He said he had a lot of questions which had been given to him. Said he wanted to pretty much emcee this Conf. I assured him that we had expected and planned for it to be his Conf. Though we were willing to help in any way and had other topics ready for coverage if he chose to miss a session.

(One of the reasons I brought up the Conf. was that I wondered if the Bagley Case might prohibit Mr. A from coming to Pasadena. He made no mention of this problem.)

After more general talk about Conf., YOU Conf., he came back to problem with Stan. He said, "It's quite a problem... because he keeps boring in all the time. He is one who can just lose his temper, and fly into a rage and I don't want to upset him."

I told Mr. Armstrong that my concern was that this Work had been built with the leadership of God's Spirit. God had given Mr. A. his Spirit. Now I felt that BA & Stan who is not a minister is in too prominent a position in LIFE function. I told him this seems to be the biggest problem.

Mr. Armstrong replied, "that's right and he is deliberately trying to put himself there. I don't know, I don't want to think that anyone has his eyes on 50-60-70 million dollars a year but... that's quite a magnet." He went on to say that he had never thought of the Work in terms of money. He mentioned that back in Oregon if he found there was someone with more money he would try to avoid them to not give appearances of being interested in money. Mentioned being surprised when he learned that FCC catered to people with money.

He said his heart bled for Ted. Referred to very tall tales Ted is now telling... some concerning Ramona Armstrong.

I referred to continued comments about Ted in the Pastor's Report and said I would like to see the issue with Ted dropped. He said, "I would too, I would too." He said, "I think that silence is the best answer we can give him." He said we should ignore him... "we're building him up." He said maybe I can convince Stan of this.

I then said I looked forward to seeing him. I was not after power or position but that I wanted to support Mr. Armstrong and the Work God had used him to build. I stressed

being deeply concerned with the problems we were currently encountering. He said, "I really appreciate that."

The call ended very warmly and with hopes to get together soon.

I gave a great deal of thought to that call for the rest of the day. A good deal of time was spent asking God for His guidance and His favor. I knew what I believed I had to say to Mr. Armstrong but I also knew it was not going to be a popular thing to say... frankly it could be suicide in the Work unless God gave special favor. I determined to act as I frankly felt the Work of God was being intimidated and was languishing in much the same way the Israel "cowed" in the corner and languished in the presence of the giant, Goliath. Mr. Armstrong had asked for help on two or three occasions now and it seemed to me if I were to do my job then I had to give the most honest counsel I could. My wife can attest to how deeply this thing weighed on me and that I realized any response to Mr. Armstrong's summons could be the end of me in the Work. I still felt it was the right thing to do.

That night, Dec. 26th, at home I wrote the draft of letter which was finished and typed the next day at the office.

December 27, 1978 — Consultation with Dr. Herman Hoeh

On the morning of Dec. 27th I called Dr. Herman Hoeh and asked him if he could come to my office. I felt that the situation was sufficiently grave that I needed to talk to one of the senior ministers, an evangelist and a minister who I believed was of the highest integrity. I was especially concerned who I talked with inasmuch as I was going to go through the accounts of Mr. Armstrong's telephone calls which he had said to me were to be held in the strictest confidence. In my judgement the matter warranted my talking with Dr. Hoeh and breaking that confidence.

By the time I had finished the account and brought Dr. Hoeh up to date, had read the draft of my letter to him, I believe it would be fair to say that Dr. Hoeh felt my response to Mr. Armstrong's request for help was in order. He did not advise me to go to Mr. Armstrong in so many words but I believe he understood my need to do so.

In the afternoon of Dec. 27th I called Mr. Armstrong in Tucson and arranged to see him at 2 PM Thursday, Dec. 28, 1978.

Thursday, Dec. 28, 1978 — Visit with Mr. H. W. Armstrong in Tucson (2:00 to 5:00 P.M.)

When I arrived at Mr. Armstrong's home on the 28th, (I was alone, by the way) we went immediately into his study where we were private. Without any small talk we got directly into the subject. I told him that I had written a letter that said about all that I had to say on the subject and preferred him to read it in my presence and we could comment as we went. This he did. That letter is attached.

I made the following notes on the airplane returning to Los Angeles after the visit. I had made very brief notes during the visit and expanded them into the account as follows:

We were in his study alone... most of time the door was shut... at times for ventilation he opened the door and we could have been overheard if anyone were interested in listening.

We got immediately into the problem. He brought up the problem he had with SRR. Again he expressed that he didn't know what to do about it. I told him that I had written a letter and that all I had to say was in the letter. Made some reference to not knowing just what Stan's attitude was and whether or not he was in fact trying to take over the Work. I told Mr. Armstrong that there was one very clear way to find out. He was surprised to hear me say that and wanted to know how. I said the answer was in my letter.

He read very slowly and deliberately the letter and AGREED WITH EVERY PART OF IT. Affirmative comments were made as he read.

On two or three occasions he said, I'm afraid Stan is not converted enough to understand the kind of love for the Church I explained, or Stan's conversion is not deep enough to get this. Words like this were repeated.

He agreed that Stan was the most powerful person in the Work now. He said Stan not only speaks from the position he occupies but also he speaks with my authority, which he uses as he wishes.

Mr. Armstrong brought up about Virginia being very bossy. I told him that several ministers didn't know how they could enforce the disfellowship rule so long as executive secretaries who were disfellowshipped were in offices they occupied.

Mr. Armstrong commented on the fact that Stan used the underground garage and his private elevator and didn't like it.

He had not seen the Pastor's Report article. When he saw it he said he was disappointed and upset with it.

HWA said he knew he had to act to remove Stan from all Exec and Admin. responsibilities.

Mr. Armstrong said he did believe Stan was giving the impression he was trying to take over the Work.

I asked Mr. Armstrong about the boast that Stan has reportedly made that he already has documents signed by HWA authorizing him (SRR) to take over in the future. He said he had never signed any such thing... not knowingly for sure. I told him that I believed Stan had quite openly boasted about this to some of the staff members in the NYC Quest office.

At this point in our discussion I brought up the rumors of a CIVIL SUIT. I told him that I had increasingly heard rumors that some kind of class action or civil action was about to be filed. He was very disturbed to hear this and wanted more information. He asked

how sure I was. I told him I'm not sure at all but that the rumors were very common and that they seemed to be coming from sources that gave cause for concern. I told him that Howard Clark had been on campus talking openly about such a suit. Though I did not talk with Howard personally other than about 5 minutes in the parking lot, I was told that he was very sure that some kind of action was planned. I was also told that he said he had talked to Bert Mann of the L.A. Times and that Bert assured him there was an action planned. Another source that I mentioned was Mike Justus. Apparently Mike was on campus recently and had said that he was certain there was an action planned.

These sources coupled with many other rumors that I had heard led me to believe that it may be probable that some legal action may take place. I also told Mr. Armstrong that I had on one occasion asked Ellis LaRavia if he was getting the scuttlebutt about a civil action. Ellis said he had heard something about it and had mentioned it to Ralph Helge who had told him he had checked and did not believe any such thing was about to occur.

While I was mentioning these things to him, Mr. Armstrong reached for a manuscript he was working on titled, A VOICE SPEAKS OUT and said he believed Satan wanted to stop the publishing of this valuable book. He said he must not be discredited before this book was in print. Nothing must hinder its being published.

He wanted to know what kind of claims the suit was going to mention. I told him I had no idea... that I had not spoken to anyone directly about such an action and that all I had heard were rumors. But, I said that I felt there were sufficient reports and serious enough that I should bring them to his attention. He indicated he was going to talk to Stan about it. On his pressing for any indication about what might be in such a suit, I mentioned just one point that I had heard. I assured him I did not know whether or not the point was in any suit if such a suit were filed but that some mention had been made to Stan and others while on a trip to Monte Carlo had rented a large Yacht for some days at a cost of \$30,000 per day.

Mr. Armstrong was very concerned about this and said that he did remember a yacht, a very large boat is the way he put it, that some in his party had been using. They had prevailed on him to take one cruise on it, have dinner on board, etc.

I told Mr. Armstrong that rumor had it that some ex-members had photocopies of receipts and other accounts from our own accounting department.

I was not trying to alarm Mr. Armstrong but I believed he should know what was circulating.

Mr. Armstrong said, "I know only one place to go when we have problems like this... that's to God's throne."

We prayed for about 20 to 30 minutes together. He for about 10 minutes then I for about the same then he for another 5 minutes or so.

Mr. Armstrong then said, "Wayne, why did you say in your letter that you would step aside and live in harmony with God?" He continued to say that he would expect me to stand up and fight if I saw Stan taking over the Work.

Our visit concluded with assurances that we had committed our problems to God at His throne and were going to be confident that all would work out well.

Friday, Dec. 29, 1978 — Calls from Mr. Armstrong

The next day, Dec. 29th at about 11:00 A.M., Mr. Armstrong called me at my Glendora home. He was disturbed about some of our conversation the previous day. Notes taken during that call are:

He wanted to know more about the "yacht" expenses, what more could I tell him... what did I think might happen about the charge... what chances did I feel there were that there would be a suit. He was so disturbed he said he would write a personal check for \$30,000 and send it to the office if I felt he should.

My comments to this were that I was sorry I even mentioned it to him because it was only on the basis of rumor yet I felt he should be aware of what is circulating. I told him that he knew much more about the situation than I but that I did not personally feel he should react to rumor and if I were he I would not send any check in.

He again repeated that they had in fact rented a big boat... a two storey boat with a full crew. He had gone on it for only one cruise one day and they had had dinner on board. He said that Ramona and Stan and others had spent much more time on board than he had.

He was VERY concerned. I told him I'd check further to see if I could get any more information about any possible suit. The call concluded with my comment.

At about 2:00 P.M. this same day (Fri. Dec. 29th) Mr. Armstrong called to my home again. I had gone out with my son, Richard for the afternoon. Doris told him that I was with my boy and he said very pleasantly that he would not want to disturb me from that.

Later that night, I returned Mr. Armstrong's call to Tucson. I got the very distinct impression from the outset of the call that there were others with him and he was not free to talk about the subject that he had called me concerning earlier in the afternoon. He asked about the Ministerial Conference and wanted to know who was attending. He then asked me to put a note in the next issue of the Pastor's Report asking all the ministers to bring their STPs with them to be turned in during the conference.

Nothing of any note took place over New Years.

January 2, 1979 — Call from Mr. Armstrong (private phone)

January 2, 1979 I was in my office when about mid morning Mr. Armstrong called me. He said, "Wayne, I want you to go to a private phone off the campus and call me back as soon as possible." (This was not an uncommon occurrence. On several previous

occasions Mr. Armstrong had asked me to go off campus and call him back. On one occasion he said, "I don't want this call to be overheard by eavesdroppers.")

I went to a private phone and returned his call. The notes of that call are as follows. (Just for the record, I long ago got into the habit of making copious notes of important telephone calls. As slowly as Mr. Armstrong speaks now, I can very nearly take down his conversation verbatim.)

Wanted to bring me up to date. On Sunday he said he had to talk to Virginia on the phone, I was wiring something in. In the course of things with all this on my mind, I spoke rather sharply to her. She went to Stan's with tears in her eyes. Stan called and just blew his top.

He screamed and threatened. I caught that and said, "Are you threatening?" so he silenced and didn't go back to that. It's an ill wind that doesn't blow some good.

I have written a letter and have quoted a portion of your letter. So felt I should read it to you and have your judgement.

(Following is essence of that letter to Stan)

Dear Stan,

Regret exceedingly causing violent, emotional outpouring last evening. Our personal relationship has been too pleasant and rewarding to let anything come between us. Will do my part to avoid in future.

I was considerably distraught by things brought to me or should not have been so emphatic to Virginia. Sorry for that.

Things brought that threaten life of God's Church which I must bring to you now. If ever I needed your help it is now.

You have been great help to me and the work which no one else could contribute.

Ted working overtime using rift between he and you to harm God's Church.

I said last spring could defend you more effectively after turning Church around and building my own credibility among the ministry and members. Have done this.

Sure all feelings against your integrity and loyalty have disappeared.

From number of Area Coordinators and field ministers (he interjected that had this from number of other people besides me) and from Pastoral Administration, have learned following exists and probably life of church depends on clearing up before conference or serious division or destruction.

Have report from Pastoral Admin. (quotes) (See marked portions of letter from me to HWA, dated Dec. 27th.)

Stan I love you as son. Accept moving into Ted's office as helping me.

Letter quoted above is mild compared to many sources received. This is not a reference against your good character, honor and integrity. Believe me when I say this.

Even though Ted sends out such false charges, the people don't believe them. But, you are pushing yourself into taking over.

I don't feel past 45. But people look at 60's, anything past 60 is old to people. In their minds not much time left for me. We know I will live as long as God wants me to live. People don't know this.

I know there is a general feeling across country among brethren. Have been assured of it by Coords. and Mins. across country.

This is one place where Ted struck home against my age. I feel the accusations against honor and integrity fall on deaf ears. But people do look on you as an Attorney, experienced in finance, etc. and not as a minister and shepherd over God's people.

So what I propose is that you resign from administrative positions in Church and college but continue in AICF and personal assistant and advisor to me. Also as auditor and legal counsel.

(he interjected that Stan was honest, but pushy in different way than Rod Meredith.)

In other words return to status as was before GTA departure.

Might look better for Church to pay a retainer fee as financial and legal advisor of \$75,000 per year plus fees for additional services.

The AICF to pay \$100,000 per year as salary or retainer as you prefer.

I also want you to continue as my personal advisor and assistant especially in overseas projects and the marketing my books.

The entire Work of God at impending crisis and threatened now. Right now if ever needed your help. If you continue with me as above outlined above, Christ will bless us and lead on to finish great commission.

(end of letter to Stan)

I (CWC) said to him that I felt God had given him wisdom and courage to do the right thing. He said for me to keep it quiet as he wants Stan to make it look like he volunteered to resign... doesn't want it known that he triggered it.

Mr. Armstrong said if Stan doesn't volunteer then he will force it... no turning back now. Will send in the letter and won't turn back.

He continued to say he didn't see how the ministers could accuse Stan of taking over after this is done. Felt this corrects all that needs correcting.

He said he had gone over his letter with his wife and she had agreed with it and felt he had to go over it with me.

I told Mr. Armstrong I had prayed a great deal before giving him counsel... he said he had prayed before writing his letter as well. I continued to say that before I had given him my letter and my counsel I had realized I was going to the wall but that I had given

honest counsel because I believed that he had always been willing to accept what is given from the heart.

We talked for a few moments about money that Stan receives not being the biggest issue but that prominence and take-over were larger concerns.

Mr. Armstrong then read a paragraph to me that he decided to delete from his letter to Stan. It said the following: neither the ministry nor the lay-members will accept you as a spiritual leader but will gladly accept you as outlined above. (That may not be an exact quote but very close)

Mr. Armstrong said that if Stan is out of the office he is in by the Conference then he feels the feelings against Stan will be mostly removed.

Then he said he was altering the Board of the Church. Wants Board set up so if anything happens to him, it could be legal. Said he was adding Rod Meredith to Board. Said Rod is loyal to him, to church and to doctrines. He felt Rod had mellowed. Said Rod had admitted to him that he had been too pushy rubbing people the wrong way and wanted to change.

Told me the Board of the Church is now: Raymond McNair, Rod Meredith, C. Wayne Cole, Dibar Apartian, Ellis LaRavia, Richard Rice, Ralph Helge, Stan Rader (though didn't know if Stan would want to stay on Bd.) and he thought Leon Walker.

He emphasized that the Board was important especially for the future.

He said that indefinitely his letter stated that Stan was no longer Treasurer. He had in mind to bring Frank Brown back from England for the job. Said Frank had really done the work the last few years under Al Portune.

Said he had in mind to send Les McCullough to England. What did I think?

I suggested Bob Fahey for England. Bob had previously told me he would be very interested in going to England if the position were ever open. He agreed that this was a good suggestion. Said Bob had a lovely wife and family and would have a lovely home there.

Then he came back to the Church Board again by saying would have put Bob Fahey on it if he had thought of him. Continued to say he can put people off and on the board instantaneously if wished. Board has been more or less a dummy board up to now but on the event of his death it would be very important. He said the Board is so all of you (meaning several leading ministers) can see to it that if someone tried to take over he can't do it.

He said that so far as he knows he doesn't know of anyone he could name to follow but he could name a team which he in effect was doing with the Board. He then said the individual successor would emerge from that group.

Then we talked about New Years football.

Hoped as we entered a new year that we had left Satan and some of our problems behind.

He hoped Stan would accept his letter. He said Stan did make a statement about telling the world what he knows... he didn't know what Stan knew to tell.

He said this had to be done... it removes the big thing brought to him. He is trying to remove and rid one by one the negatives and get on with the positives. He kidded about the song.

END OF CALL

January 3, 1979 — The Raid and Subsequent Events

The next events that have bearing involve Ray Wright. Ray called me on the night of Jan. 2nd concerning his own personal affairs. We arranged to have breakfast at a place near our home and a good distance away from the campus at Pasadena, the following morning at 7:30 A.M.

While at breakfast the waitress came to our table and said there was a telephone call for Mr. Cole. It was Doris on the line informing me that Mr. Herbert Armstrong had called and wanted me to return the call as soon as possible. Ray and I finished breakfast quickly. Since we had not completed our conversation Ray followed me in his car to my home.

As I walked in the front door, Doris greeted me with information that something strange was occurring on the campus in the Hall of Administration. She had received a call from my secretary, Pam Brubaker. Pam had said that Virginia had called the office and said, "lock the doors." Pam told Doris there were police up and down the halls though she at that time did not know what was happening.

This was my first knowledge of what happened in the offices that morning. I did not know such a "raid" was going to occur. I had absolutely nothing to do with it in any way. I defy anyone to produce a scrap of evidence that proves I did.

I then returned Mr. Armstrong's telephone call... this was done before calling the campus even though I was anxious to find out more information.

The notes of that call... about 9:30 A.M. Jan. 3, 1979 are as follows:

Asked if I told anyone else about his letter to Stan. Told me to keep it absolutely mum... don't even tell wife.

Said had to have it out with Stan... had sent his letter in... had Mel fly it in to Pasadena.

No one has seen or knows about it but me. Said Stan would be furious if he found out that anyone knows.

First Stan had told HWA that his Attorney would be contacting him and was threatening lawsuit. Mr. Armstrong said I have had about all that I'm going to take. But he felt he should be humble and take some of that sort of thing.

He said Stan had been help in many ways. Finally got Stan calmed down and he accepted it after awhile.

Mr. Armstrong said I have never seen a man filled with so much self in a certain way for his own honor, integrity... he just flies into a desperate rage, loses head completely. If anyone says anything against him, honor, etc.

Maybe someday when he's calm I can bring it up.

Mr. Armstrong said Stan finally said we must handle this in a way that doesn't reflect badly on him. Mr. Armstrong said I accept this and want to handle it that way.

At this point I interrupted with information that Steve Martin had just called and said that something strange is going on at the office. Virginia had called and said that lawyers, officials and police were there and that the door should be locked. I told Steve to lock up but that he should not do anything in contempt of the law.

Mr. Armstrong said he would call Stan immediately.

Then Mr. Armstrong came back in our conversation to his letter to Stan. He said that Stan was going to send a letter resigning. Way was opened for this by HWA's squib in recent Pastor's Report. Stan was going to say that he was so busy with AICF and as Personal Assistant to HWA he couldn't keep up with Business Office.

Mr. Armstrong said was bringing Frank Brown back for this job. Would put Frank in the old GTA office. Stan said would take the office next to HWA's.

Mr. Armstrong said would prefer to get Stan back to the other end of the hall and would like to see his secretary go along. She is autocratic and outspoken.

I referred again to the events taking place at the office. Mr. Armstrong felt it had to do with the Bagley case... said they were desperately trying to get a deposition from him saying Ted is an adulterer.

I said it may be about that, I don't know.

Mr. Armstrong said he was going to call Stan right away.

Then he said again, "Wayne keep mum about this thing with Stan and any hot words between us."

We finished our call with the hope that all passes ok. He said all will turn out well.

After this call, I immediately called the office. First I spoke with Pam and asked her what was happening. She said not much at our end of the hall. Our front door was locked and that was all. I asked to speak with either Steve or Art. Steve came on the line.

Steve and I talked about the situation a few minutes.

Later this same day Osamu Gotoh, Herman Hoeh, Raymond McNair and CWC went to Tucson to see HWA. Attached is a "Press Release" Mr. Armstrong gave to CWC late that night of Jan. 3. The following morning I released the Press Release of HWA, my own press statement dated Jan. 4 and the memo to employees.

On Jan. 5 the attached affidavit from HWA was given to me.

PRESS RELEASE — January 3, 1979

WORLDWIDE CHURCH OF GOD

World Headquarters — Pasadena, California 91123

I have been shocked beyond measure to learn of the raid on our executive offices in Pasadena, this morning, initiated from the State of California Attorney General's office. I know little of the facts as yet. The Worldwide Church of God and Ambassador College are both upstanding institutions and we are people of integrity.

If any improprieties have existed in either institution, I want them to be known, and I shall take every effort to cooperate with the Attorney General's office. We are an institution of 46 years' standing. We have many departments, and branch offices around the world. We employ many hundreds. I have of necessity had to entrust responsibilities to various officers under me. I am appointing Mr. C. Wayne Cole as Acting Chief Executive Officer under me until this crisis has passed. Mr. Cole is Director of Pastoral Administration over our ministry world wide.

Herbert W. Armstrong

MEMO TO ALL EMPLOYEES — January 3, 1979

The enclosed news releases from Mr. Herbert W. Armstrong and myself plainly speak for themselves. I would like to add that pursuant to Mr. Armstrong's wishes you should fully cooperate with the Attorney General's office in all respects.

We are to be the light of the world. Our light is to shine forth to the world. As God's people we must never do anything we have to be ashamed of. We need not hide our act clandestinely or furtively or sneak around peering out from behind locked doors.

Let us place our faith in God and seek to please Him spiritually. We will rely on Him to bless and protect us because of our spiritual and moral righteousness, and our dedication to doing His Work of preaching the Gospel.

Let us remember our calling to be about that Work fervently NOW!

With love, Your Brother in Christ,

C. Wayne Cole

PRESS RELEASE — January 4, 1979

As Acting Chief Executive Officer of the Worldwide Church of God, Ambassador College, Ambassador International Cultural Foundation and all associated organizations, I have already implemented Mr. Herbert Armstrong's request that all employees of the above corporations be instructed to cooperate fully in all respects with the Attorney General's Office of the State of California.

This should not be construed as an admission of any wrong or guilt whatsoever but only as a sincere effort to cooperate with the authorities.

God's Word states that we are to be subject to the powers that be. The governmental officials are for our good — "The minister of God to you for good" — and if anything has been improper in the Work we want it corrected and will submit to the powers not only because they have authority but also because of "conscience sake" toward our God which is our guide in living.

"For rulers are not a terror to good works but to the evil." Further: "Do that which is good, and thou shalt have praise of the same. For he is the minister of God to thee for good. But if thou do that which is evil, be afraid; for he beareth not the sword in vain: for he is the minister of God, a revenger to execute wrath upon him that doeth evil. Wherefore ye must needs be subject, not only for wrath, but also for conscience sake." (Rom. 13:3-5)

God's Word reminds us that He is the ordainer of the powers that exist (Rom. 13:1). Christians are not to resist them in the carrying out of their civil responsibilities.

My responsibility, as Director of Pastoral Administration, focuses on the spiritual growth and sustenance of the ministry and membership of the Worldwide Church of God. And this is precisely where the Church must direct the full thrust of its efforts — preaching the Gospel of Jesus Christ — thereby fulfilling the Commission given to the Church by Jesus Christ.

C. WAYNE COLE

ACTING CHIEF EXECUTIVE OFFICER

NOTE ON AFFIDAVIT

Attached is an excerpt from the Affidavit of Herbert W. Armstrong in Support of Application for Order Removing Temporary Receiver and Dissolving Temporary Restraining Order (Superior Court of the State of California for the County of Los Angeles, No. C-267607, Hearing date January 5, 1979).

Note: On page 4 Mr. Wayne Cole was already disfellowshipped in the affidavit Mr. HWA was given by the lawyers to sign. Mr. HWA changed that section.

HERBERT W. ARMSTRONG, being duly sworn, upon his oath deposes and states:

1. I have personal knowledge of the facts herein stated and if sworn as a witness could testify competently thereto.

2. I am the founder, Pastor General, and spiritual and temporal leader of defendant Worldwide Church of God, Inc. ("Worldwide"). In addition, I am chief executive officer, chairman of the board of directors and chairman of the board of trustees...

[End of available notes]