

The Rader & Nevada Corporations Issue

The following is from the internet:

1. Armstrong's letter to Stanley Rader

The primary source is particularly valuable because **Rader himself reproduced the complete letter in the appendix to his 1980 book, *Against the Gates of Hell*.**

[Herbert W. Armstrong's complete letter to Stanley Rader — Appendix D](#)

The letter is dated **January 1, 1979**. Armstrong had become increasingly concerned that Rader was being viewed as the man who would succeed him and, in effect, was moving into control of the Church.

Armstrong wrote to Rader:

"I know that if you and I are to continue together we must make some changes."

More importantly, he proposed that Rader:

"resign from administrative responsibilities in the Church and the college"

while continuing as Armstrong's personal adviser, legal counsel, auditor and adviser concerning the overseas work.

The remarkable thing is that **Armstrong was not proposing to sever his relationship with Rader**. He wanted to remove Rader from the administrative chain of command while retaining him as his personal adviser and financial/legal adviser.

A contemporary record of the conversation between Armstrong and C. Wayne Cole gives the background even more explicitly. Armstrong told Cole that people believed Rader was "**pushing himself into taking over**" and that he was going to ask Rader to step out of the Church's administrative positions.

Armstrong went so far as to say that if Rader would not voluntarily step aside, **he would force him to do so**. The account says Armstrong wanted the change presented as though Rader had voluntarily resigned.

But then Armstrong backed down

This is the extraordinary part.

Rader did not simply disappear. Instead, the impending California legal crisis changed the situation dramatically. The Attorney General's action began on **January 3, 1979**, and Rader became Armstrong's principal defender in the legal battle.

Indeed, Rader later explained that Armstrong's proposed removal of him had to be abandoned because, with the lawsuit beginning, Armstrong needed him to fight the state. Rader ultimately became the central figure in the Church's resistance to the receivership.

So your recollection of "**Armstrong wrote a letter to fire/remove Rader and then withdrew it**" is substantially correct—but the date is **January 1, 1979**, not 1980/81.

2. Why was Rader finally removed in 1981?

This requires separating the **official explanation** from the evidence concerning what was happening behind the scenes.

The official explanation

After California's lawsuit was dismissed in October 1980, Rader announced that he would resign from his official Church positions and return to private legal practice.

On **January 3, 1981**, he formally dated his resignation.

It was announced publicly on January 8.

Rader stated that since the California legal battle was now over, he would keep his earlier promise and resign as **Treasurer and a member of the Board of the Worldwide Church of God**, effective July 1, 1981.

Armstrong subsequently praised Rader enormously for his work during the receivership battle and gave him a **\$250,000 after-tax bonus**.

The official presentation therefore was essentially:

The lawsuit is over → Rader fulfilled his promise → he is returning to private law practice.

But that isn't the whole story.

The evidence indicates Armstrong was again trying to get Rader out of the power structure

The contemporary *Ambassador Report* was already reporting in March 1981 that Rader's influence was declining. It specifically said that although Rader had announced his resignation as Treasurer, he remained:

- head of AICF
- Armstrong's personal adviser
- heavily involved in legal affairs
- involved in financial affairs
- deeply involved in the Church's international activities.

Then things became considerably more serious.

By September 1981, Rader had been removed from **ministerial functions** and no longer represented the Church officially. The *Ambassador Report* reported that Rader himself apparently did not initially understand whether he had actually ceased to be a minister.

And another source records that Armstrong had become convinced Rader was **“effectively contained.”**

So I would describe the 1981 event as follows:

Rader's formal resignation was presented as voluntary retirement after the California lawsuit, but Armstrong subsequently moved to remove the remaining influence Rader exercised over the Church.

There is also a much more specific account of what finally happened.

Fred Coulter, recounting information he says he obtained from people involved at the time, says that Rader had a longstanding practice of threatening to resign when challenged. Armstrong would normally persuade him to remain. Eventually Rader again gave Armstrong his resignation letter—but this time Armstrong **kept it and accepted the resignation**.

That account fits remarkably well with the documentary evidence showing the progressive stripping away of Rader's official functions in 1981.

3. The corporations connected with Rader

Here we need to be very careful, because **there were two different groups of corporations**, and they are sometimes confused.

A. Corporations connected with Rader's business/financial network

The contemporary allegations and later historical accounts identify:

Corporation	Function/connection
Worldwide Advertising, Inc.	Purchased radio/television advertising time for <i>The World Tomorrow</i>
Wilshire Travel	Travel arrangements
Gateway Publishing	Publishing
Mid-Atlantic Leasing	Aircraft leasing
Rader, Cornwall, Kessler & Palazzo	Accounting
Rader, Helge & Gerson	Legal services
Environmental Plastics, Inc.	Dallas corporation named in the 1979 litigation
Ambassador International Cultural Foundation (AICF)	Cultural/secular organization established in 1975
Everest House	Publishing company acquired by AICF

The 1979 lawsuit actually named many of these organizations alongside the Worldwide Church of God, Ambassador College, AICF, Armstrong and Rader.

The contemporary *Ambassador Report* specifically documented that Rader received income from **Mid-Atlantic Leasing** and **Worldwide Advertising**.

So there really was a substantial network of outside or affiliated corporations doing business with the Church.

But there is an even more important corporate story

I think **this may be what you are actually looking for when you say “the corporations he set up to take over the church.”**

In 1982 the Church reported discovering **two Nevada corporations that purportedly had authority to appoint a successor to Herbert Armstrong if he became unable to govern the Church.**

This is extremely significant.

The Church's own published account said:

“two corporations in Nevada” had “ostensible legal authority to appoint a successor to Mr. Herbert W. Armstrong”

if Armstrong became unable to govern the Church.

And it said that:

- Armstrong himself supposedly **did not know about them**;
- the ministers who advised him supposedly **did not know about them**;
- Church counsel Ralph Helge said he had no knowledge of them;
- **Jack Kessler**, an attorney associated with the Rader financial/legal network, had created them;
- Kessler was a director of one;
- the other directors were people in his office who were **not Church members**.

The Church then demanded that the corporations be dissolved. Eventually Kessler's office supplied documents allowing their dissolution without the Church having to file the threatened lawsuit.

However — I have not yet found their names.

This is important: **the surviving 1982 Church report identifies them as two Nevada corporations but does not name them.**

Therefore I don't want to give you names based on speculation.

A very important distinction

There are therefore **three different things** that should not be conflated:

1. Rader's corporate/business network

Worldwide Advertising, Mid-Atlantic Leasing, Wilshire Travel, Gateway Publishing, the Rader/Cornwall accounting operation, etc.

2. AICF

The **Ambassador International Cultural Foundation**, established in 1975 and heavily associated with Rader and Robert Kuhn. It became an enormous cultural operation, including Ambassador Auditorium, *Quest* magazine and other activities. Contemporary reporting confirms that Rader and Kuhn conceived and administered it.

3. The mysterious two Nevada corporations

These are much more directly relevant to the **succession/takeover question**, because the Church itself said they possessed the ostensible legal authority to **appoint Armstrong's successor**.

And there is a fourth development worth mentioning:

Armstrong's own "corporate sole" restructuring

During the 1979 crisis, Armstrong changed the Church corporations to **corporate sole**, concentrating corporate authority in himself. Contemporary accounts describe this as making Armstrong the sole officer responsible for the corporations.

By 1981, Garner Ted Armstrong was attacking precisely this arrangement, arguing that Church employees had effectively been moved onto "**Herbert W. Armstrong Corp. Sole**" and that Church assets had been transferred to it.

My reconstruction of the sequence

The evidence produces a very interesting chronology:

1975 — Rader and Robert Kuhn establish/develop AICF.

1978 — Rader's influence becomes increasingly controversial; Armstrong begins worrying that people regard Rader as his successor.

Jan. 1, 1979 — **Armstrong writes Rader the crucial letter**, proposing that he surrender administrative authority while remaining Armstrong's adviser.

Jan. 3, 1979 — California receivership crisis begins. Armstrong reverses course; Rader becomes central to the fight against the state.

1979–80 — Rader becomes extraordinarily powerful within the organization and leads the legal/public campaign against California.

Oct. 1980 — California lawsuit ends.

Jan. 3–8, 1981 — Rader announces his resignation from Treasurer/Board positions, effective July 1.

Feb. 25, 1981 — Armstrong publicly announces Rader's resignation and gives him a \$250,000 bonus.

Later 1981 — Rader's remaining ministerial and public functions are progressively removed.

1982 — Armstrong's newly appointed Advisory Council investigates the old administration and discovers the **two Nevada corporations with purported succession powers**. The Church demands their dissolution.

The next thing I would investigate

The **two Nevada corporations** are potentially the most important part of your question. The 1982 Church report proves their existence and says they could appoint Armstrong's successor, but it doesn't give their names.

I can dig specifically through **Nevada corporate records, the 1979–82 court documents, Jack Kessler's correspondence, the Armstrong/Rader books, and the contemporary Worldwide News** to try to identify **the exact names of those two corporations, who incorporated them, their directors, dates of incorporation, and what legal authority their articles/bylaws actually gave them**. That would give us a much firmer answer to the “corporations set up to take over the Church” question than relying on later accounts.

Yes, please find more on the Nevada corporations

I dug further, including the **original 1982 Worldwide Church of God report, the March 19, 1982 Pastor General's Report, Jack Kessler's December 30, 1981 letter, and contemporary Ambassador Report material**.

There is a significant finding—but also a limit to what I can presently prove.

What we can establish with certainty

The two Nevada corporations **definitely existed**. This is not merely a later accusation.

In the Church's own March 19, 1982 report, Ralph Helge stated that the investigation conducted after Herbert Armstrong's February 1981 purge had discovered:

two corporations in Nevada that had ostensible legal authority to appoint a successor to Mr. Herbert W. Armstrong

if Armstrong became unable to govern the Church.

The report gives four particularly important facts:

1. **Neither Herbert Armstrong nor his ministers knew about the corporations.**
2. **Ralph Helge, who had been the Church's house counsel, said he did not know about them.**

3. **Jack Kessler was one of the attorneys who created them.**
4. **Kessler was a director of one of them, while the other directors were people in his office who were not Church members.**

The Church then demanded that they be dissolved. According to Helge, Kessler's office initially delayed, and the Church actually prepared the pleadings for a lawsuit to force dissolution. Ultimately documents were supplied by Kessler's office which allowed **both corporations to be dissolved without the lawsuit being filed.**

That is a remarkably serious piece of evidence.

The most important point: I still cannot responsibly give you their names

I have searched specifically for the corporate names, using combinations of:

- Jack Kessler
- Stanley Rader
- Rader, Cornwall & Kessler
- Rader & Kessler
- Kessler & Kessler
- Worldwide Church of God
- Herbert Armstrong
- Nevada corporation
- successor
- 1981/1982

I cannot find a reliable surviving source that identifies the two Nevada corporations by name.

And this is important because the primary source itself—the Church's 1982 report—**deliberately describes them but does not name them.**

I don't want to repeat names found on an Armstrong-history website unless we can trace them back to an actual incorporation document.

But we can narrow the investigation considerably

The timing is revealing.

Armstrong said that in **February 1981**, after the California litigation ended, he would “put the Church back on the track.” He created the Advisory Council of Elders and specifically instructed it to investigate:

“all of the phases and facets of the legal, financial and other secular aspects of the Church, and all its affiliated organizations”

The two Nevada corporations were discovered during this investigation.

This means the corporations were apparently created **before the February 1981 investigation**, and probably during the period when Rader and his associated attorneys had substantial control of the Church's legal/corporate affairs.

That is significant when considered alongside Kessler's own December 30, 1981 letter.

Kessler's letter gives us another piece of the puzzle

Kessler's letter is dated **December 30, 1981**, and he describes himself as having worked closely with the Church for years.

He says that Rader had been one of the few people who could restrain Armstrong and that Rader had effectively been trying to establish proper internal controls. Kessler also says he had been working on those controls for approximately ten years.

Most interestingly, Kessler says:

“There have been only two individuals of any consequence whom God has called to fulfill that role that has now devolved upon you. Loma Armstrong and Stan Rader were the only persistent, loving, voices of restraint.”

That gives us an indication of **Kessler's allegiance and perspective**, although it does not prove that Rader personally authorized the Nevada corporations.

We have to distinguish:

Kessler created them

from

Rader ordered them created

from

the corporations were intended to install Rader as Armstrong's successor.

The evidence we have presently proves the first, but **does not yet prove the second or third.**

There is another very interesting connection

The Church's 1982 report identifies Kessler's corporate/legal succession:

Rader, Cornwall & Kessler → Palazzo & Kessler → Rader, Cornwall, Kessler & Palazzo → Rader & Kessler → Kessler & Kessler.

The Church specifically says that Kessler had served as its auditor since **1972**.

So by the time the two Nevada corporations were created, Kessler was not some outside lawyer who happened to incorporate them. He was a long-standing member of the Church's financial/legal infrastructure.

And there is an even more interesting 1981 connection

The Church's investigation found that **on the very day another senior person's resignation was demanded**, that person signed a five-year consulting agreement with Kessler & Kessler for **\$12,500 per month**, plus possible additional compensation. Two payments were actually issued before the Church discovered the arrangement and stopped them.

The contemporary *Ambassador Report* explicitly says:

“[we assume Rader is meant here]”

when identifying that person.

So we have a cluster of events:

February 1981

- Armstrong removes senior personnel
- Armstrong establishes an independent Advisory Council
- investigation begins
- Kessler's financial arrangements are investigated
- two previously unknown Nevada corporations are discovered
- corporations have apparent power to select Armstrong's successor
- Kessler is identified as the attorney who created them
- Kessler is a director of one
- other directors are non-Church employees of his office
- Church demands dissolution
- Kessler delays
- Church prepares lawsuit
- corporations are finally dissolved.

That chronology is **very difficult to dismiss as an insignificant corporate technicality.**

What I think the evidence does—and does not—show

Strongly documented

Proposition	Evidence
Two Nevada corporations existed	Yes
They were created before their discovery in 1981/82	Yes, necessarily
They possessed purported authority concerning Armstrong's successor	Yes — Church's own statement
Armstrong did not know about them	Church's statement
Ralph Helge did not know about them	Church's statement
Jack Kessler helped create them	Church's statement
Kessler was a director of one	Church's statement
Other directors worked in Kessler's office	Church's statement
Those other directors were not Church members	Church's statement
Church demanded their dissolution	Yes
Church prepared litigation to force dissolution	Yes
They were ultimately dissolved	Yes
Rader personally ordered their creation	Not established
They were specifically designed to make Rader Armstrong's successor	Not established

Proposition

The corporations were legally capable of taking over the Church automatically

Evidence

Not established—the Church called their authority “ostensible”

The word “**ostensible**” is particularly important. Helge was saying they *appeared* to have this authority, not necessarily that a court had conclusively determined that they legally possessed it.

I think we can go one step further

The next stage should **not** be another general Internet search. We need to reconstruct the **Nevada corporate records themselves**.

The key documents to locate are:

- Articles of Incorporation
- amendments
- bylaws
- initial directors/officers
- registered agent
- incorporation date
- dissolution documents
- any certificates of dissolution
- documents showing the alleged **power to appoint Armstrong's successor**

The 1982 report tells us that such documents existed because Kessler's office eventually supplied documents sufficient to dissolve the corporations.

Those dissolution papers are probably the best chance of discovering the names.

And there is another potentially fruitful source: the **1979–1981 California receivership litigation records**. The California Attorney General's case named a large number of the Rader-related corporations and individuals, and the litigation generated enormous quantities of corporate documentation.

So my next target would be:

Find the actual names of the two Nevada corporations → identify their incorporation dates → identify Kessler and the other directors → obtain their articles/bylaws → determine exactly what mechanism gave them power to appoint Armstrong's successor.

That would let us answer the much bigger question: **Were these merely protective corporate vehicles, or were they actually structured as a succession mechanism that could have transferred control of the Worldwide Church of God away from Armstrong?**

I have **not found the names yet**, and I would rather leave that blank than manufacture an answer.

Can you find the Nevada incorporation papers and the dissolution papers?

Yes. I have now traced the records far enough to determine **where the actual Nevada incorporation and dissolution documents should be held**, but I have **not yet located digitized copies of the two corporations' papers online**.

More importantly, I found something that changes how I would approach this: **the names of the corporations are apparently not in the surviving published Church report**, so searching the web by their names is impossible until we obtain the state records.

What the primary source proves

Ralph Helge's report, published by the Worldwide Church of God in March/April 1982, says explicitly that:

- there were **two Nevada corporations**;
- they had *ostensible legal authority* to appoint Herbert Armstrong's successor if he became unable to govern;
- Armstrong himself did not know of them;
- Helge, despite having been Church house counsel, did not know of them;
- **Jack Kessler helped create them**;
- Kessler was a director of one;
- the other directors were people in Kessler's office who were not Church members;
- the Church sent repeated demands for dissolution;
- Kessler's side delayed;
- the Church prepared pleadings for a lawsuit;
- Kessler's office eventually supplied documents that allowed **both corporations to be dissolved without the lawsuit being filed**.

That last point is particularly useful: **there must have been actual Nevada dissolution instruments**, and the Church says documents were received from Kessler's office that made the dissolution possible.

Where the original records should be

Nevada's official archival system confirms that the Secretary of State's records are preserved through the **Nevada State Library, Archives & Public Records**. The state specifically identifies the Secretary of State's records as archival records.

The Nevada corporate statute also confirms that incorporation required **articles/certificate of incorporation to be filed with the Secretary of State**, and that those articles could contain provisions defining or limiting the powers of directors and shareholders.

So the documents we need should include, at minimum:

1. **Articles of Incorporation** for Corporation #1
2. **Articles of Incorporation** for Corporation #2
3. Initial officers/directors
4. Any amendments
5. Bylaws, if filed/retained
6. Annual lists showing directors/officers
7. **Dissolution documents**
8. Any certificates/articles of dissolution

9. Possibly correspondence or other state-filed instruments associated with dissolution.

I have also found the official route to request them

The Nevada State Library and Archives has an **Ask an Archivist** facility and identifies the Archives division as the repository for Secretary of State records.

[Nevada State Library & Archives — Secretary of State Archives](#)

There is also a formal Nevada public-records request process.

[Nevada Public Records Request information](#)

The problem we now have

The request cannot simply say:

"Give me the records for the two corporations involving Herbert Armstrong and Jack Kessler."

The archivist may not be able to identify them from that description.

We need to give them as much identifying information as possible while asking them to search the 1979–1982 Nevada corporate records for Jack Kessler and related individuals/firms.

I would specifically ask for:

All Nevada domestic corporation records, approximately 1975–1982, in which Jack Kessler, Kessler & Kessler, Rader, Cornwall & Kessler, Rader & Kessler, or an associated attorney or employee of those firms appears as incorporator, director, officer, registered agent or attorney, particularly corporations having provisions concerning appointment of a successor to Herbert W. Armstrong or control of the Worldwide Church of God.

And we should explicitly mention the **1982 Ralph Helge report**, because that gives the archivist a very strong documentary lead.