

# A 'WORLDWIDE NEWS' SPECIAL SUPPLEMENT

## FORUM WITH STANLEY R. RADER

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

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

**What was the reaction to the petitions (affidavits)?**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Would it be to our advantage to**

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

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

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

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

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

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

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

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

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

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