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Dear Brethren and Co-Workers with Christ:

On Friday, March 16, we won another major battle in the WAR launched by the State of California, through the Attorney General's office. It was a massive effort to seize, take over, and confiscate all properties and assets as well as continuing income of the Worldwide Church of God.

Judge Julius Title, in Superior Court, recognized our right of appeal, which we did exercise, after he had appointed another Receiver to take over all properties and assets last Monday, March 12.

It became necessary for us to put our telephone network into action. How I do thank and praise God for such faithful and loyal members as He has brought into His Church! As always, you brethren responded. My personal thanks and gratitude would not be adequate, but I know GOD through Jesus Christ does THANK YOU, and bless you.

Friday, Judge Title's court accepted the bond signed by individual members for \$2.4 million as surety, in lieu of cash. We are posting another \$1.3 million today.

But the main WAR is not over, and probably may have to be carried to the Supreme Court of the United States.

There is one vital circumstance I think you brethren should know. Whereas, for several years now we have enjoyed a fine credit rating, able when necessary to borrow a million dollars on my signature, that is now GONE! The bank that has financed us for years totally forsook us when this State lawsuit occurred. At present we have to pay in cash for everything. We are already in the process of re-establishing a good credit relationship.

For many years we have had a most happy relationship with the United California Bank. They have loaned us up to multi-millions of dollars at one time. Always we have met every obligation. Our financial record with the bank has been impeccable. Yet, as soon as they learned, on the morning of January 3rd, that the State had brought this massive lawsuit, they completely washed their hands of us.

I will give you a statement from our legal department showing that we have faithfully and regularly made available to, or filed with, both State and Federal governments the detailed financial reports required by law.

LET ME EMPHASIZE that this whole massive lawsuit is NOT a government action for the purpose of getting to records we have not voluntarily filed with both State and Federal governments required by law for them to examine. NO RECORDS OF FINANCIAL, OR OTHER TRANSACTIONS HAVE EVER BEEN WITHHELD. This UNConstitutional action of PERSECUTION was brought from altogether different motives. It started with six disfellowshipped former brethren -- seeking to DESTROY the Church and Work of the LIVING GOD -- and the State government has taken the baton.

Please read this following paragraph twice. It is IMPORTANT! We pride ourselves on having one of the finest, if not THE finest book-keeping and record-keeping systems anywhere on earth.

When I first incorporated this Work of God, I made every effort, through competent legal advice and performance, to make it SO FOOL-PROOF that it would be IMPOSSIBLE for ANYONE (myself included!) to "siphon off" or take or steal any money from the Work of the Living GOD! It would have been impossible for Mr. Rader or me to have taken for personal use any money not accounted for. For example, I took my elder daughter with me as my personal hostess at banquets, dinners, luncheons, receptions and the like, that became a necessary part of the GREAT COMMISSION, carrying Christ's Gospel Message into all the world. This required new and better clothes, as well as a modest amount of jewelry for her. BUT, I PAID FOR EVERY PENNY OF THAT FROM MY OWN PERSONAL FUNDS -- money I had earned, and on which I had paid both federal and state income taxes.

I ask you, brethren, how would YOU feel, if you spent some of your own hard-earned money for something in God's Work. Then your State government accused you -- and banner-headline news reports worldwide accused you of STEALING -- not

stealing only such comparatively small amounts for something in the Work, but stealing thousands of times MORE than that? Jesus Christ told me in the Bible that if I gave my life to Him for His Work, I would SUFFER PERSECUTION! I counted the cost 52 years ago! And I have had persecution constantly ever since. I knew well "that we must through much tribulation enter into the Kingdom of God".

Brethren, that applies to all of us!

Let me now quote a current statement from our legal department.

One of the more absurd, false allegations made by the Deputy Attorney General Hillel Chodos in the instant action has been the alleged failure of each of the three corporations to render an adequate accounting.

This accusation is particularly surprising, and gives further evidence of the bad faith of the Deputy Attorney General Lawrence Tapper and Deputy Attorney General Hillel Chodos harassment in that each corporation has filed with the State of California an annual accounting on forms prescribed by the State and in the detail required by those forms.

Specifically, Ambassador International Cultural Foundation files with the Attorney General's office an annual, detailed report (Form CT-2) listing, among other things: the total compensation of each officer, director, and key employees; every transaction with each officer or director including any extensions of credit or sales of properties; each transaction involving the purchase or sale of a security or investment including the cost, fair market value, and any gain or loss on the transaction; all distributions to other charities or other recipients; a balance sheet, income statement, as well as other financial disclosures. This report, although not required to be audited, is audited by independent certified public accountants and their report, together with the Foundation's report, are public documents available for public inspection. Moreover, the Foundation also files an annual statement with the State of California Department of Justice showing each California financial institution (and account number) with which it does business and authorizes disclosure to the Attorney General of any and all financial records pertaining to the Foundation held by such financial institution.

Ambassador College files a similarly detailed accounting each year with the State of California Franchise Tax Board. Their latest audited report was a 52-page document that required over 250 hours to prepare and which listed each transaction with each officer and director, as well as other pertinent information such as description of each piece of real or personal property sold during the year along with the buyer's name and relationship, the historical cost, fair market value, expenses of sale, and gross sales price.

Both the Foundation and the College file identical disclosures with the federal government and all of these documents are available for public inspection.

Worldwide Church of God also files an annual information return with the Franchise Tax Board, although the State has chosen to require fewer disclosures of religious institutions.

In each case, the level of detail required to be presented in these accountings is dictated by the State and in every instance each of the corporations has fully complied with such requests for accountings. These accountings are available to all contributors and potential contributors. They are available to the News Media. They are most certainly available to the Deputy Attorney General Lawrence Tapper and Deputy Attorney General Hillel Chodos.

Therefore, it is clearly a malicious abuse of the legal process for a Deputy Attorney General Lawrence Tapper and Deputy Attorney General Hillel Chodos to falsely state that no accounting has ever been made and that financial disclosures have been sporadic or incomplete. Because the Deputy Attorney General Lawrence Tapper and Deputy Attorney General Hillel Chodos knew these allegations were false, both before a complaint was filed as well as throughout the court proceedings, we can only conclude that such false charges are further evidence of the criminal conspiracy to deprive us of our rights.

Furthermore, as long as the State of California remains a plaintiff, and a self-appointed and self-designated enemy and adversary of the Worldwide Church of God and its brethren, the Church and its brethren have no reasonable alternative but to defend vigorously, resourcefully and diligently all of its rights, constitutional and statutory, to prevent the State of California and other individual vultures who would do everything in their power to destroy the Church of the Living God, to confiscate its assets for their own purposes or for the so-called purposes of the people of the State of California.

For the Attorney General to state before the public that only an examination was what the State of California had in mind in order to fulfill its duty under the law is to play havoc with the truth. It's our duty to spell that out with as much emphasis as

we can to the public at large.

We also take this opportunity to renew an offer that we made to his deputies last week -- an offer that was also communicated to him personally by several of our intermediaries last week in writing; after the completion of the Arthur Anderson & Company audit of the affairs of the Church, College and the Foundation for the year 1978, should there be any additional questions which would be of legitimate concern to the Attorney General, we would be happy to meet with him informally to discuss the same. In the meantime the lawsuit should be put on the backburner or should be dismissed by the Attorney General without prejudice.

Do we realize that all through history those who suffer persecution so often suffer at the hands of MAN'S GOVERNMENT?

The ancient children of Israel suffered cruel slavery at the hands of Pharaoh's Egyptian government.

Daniel's three friends were thrown into an over-heated flaming furnace at the hands of the Chaldean government. Daniel was thrown into the lions' den, on false accusations of men high in the Babylonian government. Early Christians were thrown into lions' dens by the Roman government. It was the Roman government's local king, Herod, that tried to have Jesus killed while still an infant.

But I have said before, GOD ALLOWED THIS TERRIBLE TRIAL TO COME ON US TO WAKE US UP AND DRAW US CLOSER TO HIM -- AS WELL AS CLOSER TO ONE ANOTHER. It is a sign that we are drawing close to the time of Christ's coming to TAKE OVER ALL GOVERNMENTS!

The ONLY PLACE ON EARTH that the GOVERNMENT OF GOD is being administered is in God's Church. It is a GOVERNMENT OF LOVE, MERCY and TRUTH. But Satan HATES IT, and is trying to strike at its very headquarters, at present under siege by the State Government.

Last Sunday I did three new telecasts -- a new format idea -- in my home in Arizona. It was a dialogue between our announcer Art Gilmore and myself. I think there will be many more such programs.

Brethren, we people of God are being severely tried. We must pray earnestly for one another, as well as for the Work.

I think I can almost HEAR God's voice from above saying, "All you children are coming through this test with flying colors. You are my beloved, begotten children, in whom I am well pleased!"

CONTINUE sending tithes and offerings to me, personally, at the Tucson address. A group of people from the Mail Processing Department have temporarily moved here. They pick up the mail daily, process it, RECORD IT, and that is the LIFE-BLOOD that keeps God's Work GOING!

With great love, in Jesus' name,

Herbert W. Armstrong