

HWAPP#9627 JWA

MINUTES OF ANNUAL MEETING OF THE
BOARD OF TRUSTEES AND MEMBERS OF
AMBASSADOR COLLEGE
A California Corporation

The Annual Meeting of the Board of Trustees and members of Ambassador College was held on July 21, 1976, at the hour of 10:00 a. m., at 300 West Green Street, Pasadena, California, pursuant to a call by its President, Herbert W. Armstrong.

A majority of the Trustee-Members of Ambassador College were present and acting, to wit: Herbert W. Armstrong, Garner Ted Armstrong, Stanley R. Rader, Dibar J. Apartian, Benjamin Chapman, Ronald L. Dart, Michael P. Germano, Herman L. Hoeh, Robert L. Kuhn, Van Lisman and Leslie L. McCullough. Mr. Herbert W. Armstrong presided as Chairman and Mr. Stanley R. Rader served as Secretary.

The meeting was opened with an invocation by Mr. Herbert W. Armstrong.

The Financial Statement for the calendar year 1975 was presented to Mr. Herbert Armstrong and to Mr. Garner Ted Armstrong by Stanley R. Rader, Vice President and General Counsel, followed by a review of the financial condition of the College as of July 1, 1976, also by Mr. Rader. Mr. Rader stated that the financial statement had been presented to all major creditors of the College, being favorably received by all such institutions. Mr. Rader pointed out that the 1975 Statement reflects changes in the division of the Work's activities between the College and the parent institution, the Worldwide Church of God, with publishing and broadcasting activities, formerly delegated to the College, now being reassumed by the Church, changes which will also be reflected in future statements. This was, in part, a result of an understanding with the Western Association of Schools and Colleges that it would be better for the College to limit its activities to those generally carried on by collegiate grade institutions. Mr. Rader does not foresee any budget crisis during the fiscal period beginning July 1, 1976, but feels confident that we will be able to handle all cash flow requirements as they arise, indicating that, although the entire budget is of course predicated upon certain predictions or estimates of income levels, he considers these predictions sound and sees no need to be unduly concerned about the effect of such contingencies on a working budget.

Mr. Stanley Rader, as General Counsel for the College, discussed the status of the current effort toward accreditation by the Western Association of Schools and Colleges. He stated that we are moving along very well toward accreditation in accordance with the guidelines laid down by the Chairman

of the Board and President, namely that the College will be at all times a Church-related, Church-sponsored and Church-controlled institution, as other such affiliated institutions, where the principles and values of teachings of the Worldwide Church of God are at all times reflected in the faculty and administration as well as in the student body. Mr. Rader informed the Board that on several occasions he and Ralph Helge had visited Brigham Young University and were very well received by Dr. Robert Thomas, chief academic officer of that institution. Dr. Thomas well understands the importance of the relationship between church and college and has been of great help in the adoption of proper policies to reflect the needs of the Church, as well as the College. He has agreed to serve as Chairman of the accrediting committee that will visit Ambassador College in the spring of 1977. Mr. Rader also mentioned that he and Mr. Helge have established a fine rapport with Dr. Kay Anderson of Mills College, who is the Executive Secretary of the Western Association of Schools and Colleges.

Mr. Rader's preliminary remarks on accreditation were followed by a summary of progress to date by Dr. Mike Germano. Dr. Germano stated that faculty strength is much greater than it was three years ago when we were last visited by the accreditation committee. We have improved the quality of the faculty, with many more Ph.D.'s, virtually eliminating anything below the M.A. degree, with the exception of certain specialized areas in the Music Department. Our curriculum has been broadened, moving from the single major type of program to a variety of programs in the liberal arts in order to reach more meaningfully the young people wanting to come to Ambassador. Dr. Germano further commented that our only really identifiable weakness is the quality of our library holdings. He feels that, in order properly to serve the student body, consideration needs to be given to the acquisition of additional holdings to bring the quality of our library facilities up to the level of the buildings, the faculty and other necessary resources. He stated that the self study is nearing preliminary draft completion and by September 1 we should have a final draft completed for ultimate filing with WASC in early November. The visit of the accrediting committee has been scheduled for the third week of March, 1977, and it is Dr. Germano's expectation that we will be successful in this particular attempt for accreditation, the decision in our case to be handed down in early June of 1977.

Status of the Vista del Arroyo property application was next discussed, and a letter of June 25, 1976, from Charles H. Fuller, Chief, Real Property Division of the Department of Health, Education and Welfare, in which he stated in part, "HEW has approved your application and requested assignment of the property from the General Services Administration for transfer to the College. . .", was read into the proceedings. It was stated further in Mr. Fuller's letter that "because Ambassador is only a candidate for accreditation, . . . Ambassador will qualify for only 80% discount. . . (from) the current fair market value at the time the escrow agreement is entered into. . ." and that "a return deed from Ambassador to the government would be held in escrow until accreditation is achieved or 20% of the current fair market value is paid. . ."

Mr. Stanley Rader explained that, despite opposition from detractors and those who consider themselves as dedicated enemies of the Worldwide Church of God and Ambassador College, both HEW and GSA have approved the transaction, and Mr. Rader is hopeful that he may be able to convince HEW and GSA that the College should be able to receive a 100% discount, explaining that the 80% determination was based on their understanding, after a visit, that our facilities were being under utilized by such a small student body (less than 800 in attendance) and that he will proceed upon those lines. Mr. Rader assured the Board that, although there may be some difficulties in future concerning such things as Title IX (which refers to women's rights) and the "Creed" provisions that are required by HEW in granting property pursuant to the act involved, we will have no real problem in resolving these particular matters in a manner acceptable to the Church and the College, as well as to the various authorities. Mr. Rader also advised the Board that the acceptance of the benefits from the federal government may impose certain affirmative duties upon the institution, but that would not seriously impair the operation of the College, nor would it seriously limit the "independence" of the College. Mr. Rader also reminded the Board that the College was already receiving benefits of various kinds in Texas and Pasadena, and that its students were receiving federal assistance which is used for tuition, etc. Mr. Helge will be paying special attention to those areas to be sure that appropriate wording is incorporated in any documents in connection with the transaction. In this connection, Mr. Rader explained that the building would be able to provide some 550 beds, as well as library space, and would also serve as a museum or display area for various objets d'art, as well as exhibitions, temporary or permanent, which may be presented to the public in the future--for example, the archaeological excavations from the Temple Mount, etc.

Mr. Garner Ted Armstrong mentioned that a study has begun already to consider an amalgamation or combining of the two campuses in order to avoid duplication of effort, department by department, which has seriously limited both campuses because of the tremendous burden placed on facilities, finances, and now even the reservoir of students available for the College. Dr. Germano and Mr. Rader explained that the ideal figure for an undergraduate school would be somewhere between 1,500 and 2,000 students, and ultimately we should expand to an Ambassador University, which would include a graduate school of theology, education and music education, just to name a few. Mr. Armstrong was in full accord with the fact-finding committee, and everyone agreed that Ambassador College should aspire not only to be first in education--for the present, as well as for the world tomorrow--but that it should be actually the best in any and every field of activity that it undertakes. Intercollegiate competition in the sports field was discussed in this connection and Mr. Ted Armstrong stated that if we have basketball, etc., in this as in other areas Ambassador should transcend all other colleges or universities dedicated to the field of higher education, because part of our commission is to prepare citizens for the world tomorrow.

This doesn't follow.

It was mentioned that upon Mr. Armstrong's return from his next

trip, on or about August 15, there probably will be a special meeting of the Board of Trustees. In that connection, Mr. Armstrong also felt it would be in the best interests of the College and Church that a study be undertaken immediately for the development of a high rise office building to house the Church Headquarters of the World. This is something that will benefit both institutions, and also satisfy more clearly the requirements of WASC for a reasonable separation of administrative functions between the College and the Church officials. Mr. Ted Armstrong explained that we have staff in house already who can make the preliminary studies, and Mr. Rader said financing would be easily accessible since it would not be a single-purpose building.

Also in connection with the effort toward accreditation and the acquisition of the Vista del Arroyo property, Mr. Rader indicated some By-Law changes would be necessary for the College, and they will be presented to the Board at a special meeting in the near future. Such changes will have to do with requirements to satisfy WASC, as well as IHEW, etc.

Mr. Stanley Rader, as General Counsel, next reported to the Board that during 1975 and the early part of 1976 the College was being examined by the Internal Revenue Service pursuant to a TCMP (Taxpayers Compliance Measurement Program). This type of audit is of a very extensive, as well as intensive, nature, and, while Ambassador College was being audited, USC, Columbia and Stanford also were being audited. The audits are designed not only to make it possible for future audits of the institutions to be carried on with more dispatch or more expediently, but also to provide the government with the kind of information that will enable it to standardize audits for other institutions and to gather the kind of data and experience to enable the government to insure compliance by other taxpayers or other entities. Mr. Rader has been advised by the agent that he, the agent, will recommend a "no change" and policies of the College, as well as the College's implementation of said policies, have in essence been approved again by the IRS. Mr. Rader made particular note, however, that travel and entertainment expenses were again reviewed carefully by the government, and, as a consequence, Mr. Rader directed Mr. Wright to issue a lengthy memorandum to all department heads and employees concerning compliance with the policies involving travel and entertainment which had been set forth several years ago, but which must now be complied with more fully. Mr. Rader also stated that there can be no "bargain sales" or sales at less than fair market value to employees. He explained that in the past there were several such sales with immediate resales of the properties. This type of transaction must be avoided, even if entered into with the best of intentions. Mr. Rader also explained that, because of inflation, as well as increases in employees' salaries, it was necessary to adjust the rentals for a few of the persons occupying faculty homes.

It was moved that the Board approve and ratify the actions of the Business Manager, Raymond L. Wright, and authorize him to pay all bills, debts and encumbrances incurred by Ambassador College throughout the coming year.

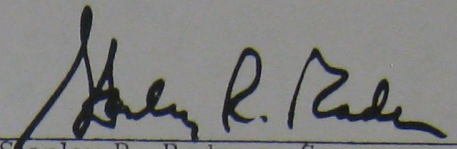
IRS exam of College what of church?

Admits financial shenanigans

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The existing officers of the Board were appointed to serve again another year with no changes in Board members.

There being no further business to come before the Board, and upon motion duly made, seconded and unanously carried, the meeting was adjourned.


Stanley R. Rader as Secretary