

## LSM gets Caesar's Final Answer—'NO'!

### U.S. Supreme Court refuses to hear LSM's case against Harvest House

On Monday, June 18, 2007 the long and winding road of LSM's litigation against Harvest House Publishers finally came to an end. On that day the highest court in the land, the US Supreme Court, refused to hear LSM's case and in so doing allowed the lower court's decision against LSM to stand. This case, designated No. 06-1520 by the Supreme Court, was filed May 16, 2007. The Justices met in conference on June 14. Four days later the official decision was announced—"Petition DENIED." LSM has repeatedly justified this litigation based on the Apostle Paul's appeal to Caesar. They say, "We consider the appeal to the courts by Living Stream Ministry...and the local churches to be similar to Paul's in Acts 25—a necessary step for God's interests, to continue the ministry the Lord has entrusted to us." Expressed in these terms, the US Supreme court's decision means 'Caesar' has said, "No" to LSM. This isn't the first time; LSM has appealed the lower court's decision three times already. 'Caesar' has said "No" on every occasion (May 15, '06; Dec. 1, '06 & Feb. 16, '07). How many times does Caesar have to say, "No," before LSM gets the message? The latest decision is Caesar's final answer. There is no higher (earthly) court to which LSM can appeal. LSM has not only 'lost the battle,' they've also 'lost this legal war.'

### What Does the US Supreme Court's Decision Mean?

Some might respond to the latest ruling, saying, "The Supreme Court never heard our case. If the Supreme Court Judges had heard LSM's case, then things would be different..." However, let's be clear that the US Supreme Court's choice not to hear this case **is a decision—a decision to let the lower Texas court's ruling stand.** What was that earlier judgment?

In brief this libel case centered on a book entitled, *Encyclopedia of Cults and New Religions*, [ECNR] written by John Ankerberg and John Weldon and published by Harvest House Publishers. A short entry in the *Encyclopedia* focused on the local churches and Living Stream Ministry. In December 2001, LSM and approx. 100 local churches launched a \$136M legal suit against Harvest House publishers and the authors, contending that the book was libellous and defamatory. On January 5, 2006 the Texas Court of Appeals **ruled against** Living Stream Ministry (LSM) and its associated local churches. LSM lost this case in the Texas courts. In its Jan. 2006 ruling against LSM, the Texas court said:

"This is a libel suit brought by a Church [LSM & some local churches] against a publisher and two authors after the church was included in a book about 'religious cults,' as that term is defined in the book.....[W]e agree that the passages in the book [ECNR] that refer to the church are not, as a matter of law, defamatory...and render judgment that the church take nothing [i.e. no damages] from the publisher [Harvest House] and authors."

LSM and associated local churches claimed that they had been libeled by being included in the book. The Texas Court decided that **"the passages in the book [Encyclopedia of Cults] that refer to the church are not...defamatory."** That decision now stands.

### Making the 'Cult Label' Stick

In an earlier 1980 case, concerning the book, *The God-Men*, the courts ruled that Witness Lee and the local churches had been libeled and defamed. Damages were awarded. That case provided a basis to argue that LSM and the local churches are not a cult. Until recently it was possible for LSM's Defense & Confirmation Project to assert, "To date the courts have vindicated the churches' decision to appeal to them." Previously, in the "court of public opinion" we could argue, "The book, *The God-Men*, called us a cult; but the courts judged it to be false and libelous. This proves we're not a cult."

That argument is now undercut by the Texas and US Supreme Courts' decisions. The courts have decisively rejected LSM's case. In the "court of public opinion," people can now respond, "Yes, you are indeed a cult. You contested the local churches' inclusion in the *Encyclopedia of Cults...* and you lost!" Moreover that book can be reprinted, distributed and sold. It can also be quoted in spin-off books and presented as "court-vindicated." It is suddenly much harder for the local churches and saints in the Lord's recovery to fight the "cult" label. The cumulative effect of these legal decisions is to make the 'cult label' stick in the "court of public opinion." LSM's legal misadventure has serious consequences for the saints and local churches affiliated with them.

## It's Time LSM set the Record Straight—Withdrew Statements

After the Texas Appeals Court's ruling LSM "cried foul," questioning the Judge's decision. A January 16, 2006 LSM Statement said, "We believe the appeals court ruling is in error." They argued the court's decision was "seriously flawed," neglected the evidence and was based upon "faulty technical, legal grounds." These serious allegations are contained in an LSM Statement issued December 12, 2006, which asserted:

"...LSM felt constrained to petition the Texas Supreme Court because the decision of the Texas Appeals Court was seriously flawed and did not take into consideration the evidence or facts of the case. The ruling of the Appeals Court was based on faulty technical, legal grounds and not on the facts of the case..."

LSM and its legal representatives had repeated opportunities via written and oral arguments to convince the courts. Their legal arguments have been "weighed in the scales [of justice] and found lacking" (Dan. 5:27.) They've been decisively rejected by both the Texas Supreme Court and the US Supreme Court. Clearly, had either court been convinced that the lower court's decision was "in error," "seriously flawed," neglected evidence or based upon "faulty technical, legal grounds," (as LSM alleges) they would have ordered the case to be reheard, or they would have overturned the lower court's decision. They did not, implicitly rejecting LSM's arguments.

The question arises—will LSM now unequivocally accept the US Courts' decision? If so, they should withdraw earlier statements contesting the court's decision. They should acknowledge that the Texas Appeals Court's decision was NOT "in error," NOT "seriously flawed," did NOT overlook relevant evidence or facts of the case. They should affirm that the Appeals Court's ruling was NOT "based on faulty technical, legal grounds." Moreover, they should concur with the court's finding that passages in the *Encyclopedia of Cults* "that refer to the church are NOT...defamatory."

Will LSM now withdraw their earlier statements contesting the court's judgment? For LSM & DCP to continue posting and publishing statements (containing arguments rejected by the courts) or utter them from the LSM podium is disingenuous and acting in bad faith. It is to claim (in essence) "We know the law better than the US Judges. We disagree with their decision. Therefore we reject their judgment!" Moreover, it violates the scriptural injunction for Christians to be subject to the civil authorities appointed by God (Rom. 13:1). That surely includes the US judicial system. LSM's "blended brothers" minister about authority and submission. Here's an opportunity to demonstrate submission to God's deputy authority in the Judiciary. It's time for LSM to set the record straight!

## Defense & Confirmation Project's Latest Product—a 28-Book 'Attack Pack'

Its website indicates that DCP is a "project to defend and confirm the New Testament ministry of Watchman Nee and Witness Lee and the practice of the local churches." In the perception of many local church saints, DCP's *raison d'être* was to coordinate LSM's litigation against Harvest House and similar writings. Funds were solicited from saints and local churches for that purpose. Now that this litigation is concluded, will DCP's operations be wound up? Not likely.

At the May 2007 LSM conference in St. Paul, MN, LSM-President Benson Phillips stood with DCP-Board member, Dan Sady to introduce DCP's latest product offering—an 'Attack Pack' of 28 color-coded books aimed at (so-called) "dissenters" and "sectarian churches." Chief among those whom DCP names are Titus Chu (Cleveland OH), Nigel Tomes (Toronto, Canada) & Frank Lin (Taipei, Taiwan.) Among the (so-called) "sectarian churches" are the local churches in Columbus & Mansfield, OH and Toronto, Canada. DCP's 28 book, 'Attack Pack' was unveiled with much fanfare at the LSM conference. Free samples were distributed to attendees. Bulk orders are being offered to LSM-affiliated local churches. Obviously DCP is redirecting their resources of people, printing presses, finances and the podium. They failed in their litigation against the "external opponent," Harvest House. Evidently DCP has decided to focus on easier targets, (those they perceive as) "internal dissenters."

To assuage the doubts of conference attendees, Benson Phillips assured them that this was "Brother Lee-approved." He recalled Bro. Lee's speaking back in 1978 to the effect that, concerning the defense of the gospel, 55% of our effort should be in writing, 5% in legal action and 40% in the aggressive contact of leaders in Christianity. So, Brother Benson assured people, these 28 books comprising DCP's "Attack Pack," belong to the 55% allocated to writings.

Is it mere coincidence that Brother Benson should recall this now? Why wasn't this "Brother Lee-approved" allocation of effort and funds applied during the 5-years of litigation against Harvest House? From 2001-7 did DCP allocate only 5% of its resources to legal action? Why has this "previously unpublished quote" suddenly been produced, like the proverbial rabbit from the magician's hat? Doesn't this suggest that LSM's "blended brothers" manipulate Brother Lee's ministry at their convenience to justify their own actions? Having solicited funds from the saints and local churches for the purposes of litigation, these are now being redirected to other purposes. It's ironic that reportedly, in response to LSM's solicitation, Midwest local churches contributed to DCP's litigation fund (even though they weren't among the 93 plaintiffs.) Could it be that these Midwest funds are now being used to finance LSM's attack on Titus Chu, his co-workers, and "dissenting" Midwest churches, like Columbus & Mansfield? Finally, given the difficulty of proving libel and defamation in the law-courts, have LSM & DCP been emboldened to malign and/or defame Titus Chu, his co-workers and "dissenting" local churches in their latest 28-book 'Attack Pack'? Are LSM & DCP committing the same kind of offenses for which they took Harvest House to court—libel and defamation?

Concerned Brothers

June, 2007

**NOTE 1** Record of the US Supreme Court:

No. 06-1520

Title: The Local Church, et al., Petitioners

v.

Harvest House Publishers, et al.

Docketed: May 17, 2007

Lower Ct: Court of Appeals of Texas, First District

Case Nos.: (01-04-00231-CV)

Decision Date: January 5, 2006

Discretionary

Court

Decision Date: December 1, 2006

Rehearing February 16, 2007

Denied:

~~~~Date~~~~ ~~~~~Proceedings and Orders~~~~~

May 16 2007 Petition for a writ of certiorari filed. (Response due June 18, 2007)

May 22 2007 Waiver of right of respondent Harvest House Pub., et al. to respond filed.

May 29 2007 DISTRIBUTED for Conference of June 14, 2007.

May 29 2007 Brief amici curiae of Various Religion Scholars filed. (Distributed).

May 29 2007 Brief amici curiae of Ambassador Winston Lord, et al. filed. (Distributed)

May 31 2007 Brief amici curiae of Christian Research Institute, et al. filed. (Distributed)

Jun 5 2007 Brief amici curiae of Various Publishers, Broadcasters and Religious Organizations filed. (Distributed)

**Jun 18 2007 Petition DENIED.**

**NOTE 2:** The article above attributes the litigation against Harvest House to LSM. The validity of this attribution is discussed in the Appendix below

APPENDIX: 'The Harvest House litigation was not primarily carried out by LSM'  
"LSM has not directed or taken a leadership role...in filing the lawsuit"—Chris Wilde

What was LSM's role in this legal case against Harvest House over their book, Encyclopedia of Cults...? The Defense & Confirmation Project, led by Dan Towle, claims *it is false* to characterize this litigation as being carried out primarily by LSM. [Different Teachings..., DCP, p. 7] Along the same lines, LSM media-spokesman, Chris Wilde wrote, "LSM has not directed or taken a leadership role over other Plaintiffs in filing the lawsuit." Then, who is taking the lead? According to spokesman Wilde, "Church leaders from around the country have come together on a regular basis to fellowship on this issue. All decisions have come from that group-and relatively few of those leaders work for Living Stream Ministry." [Chris Wilde, E-mail posted on "ContendingForTheFaith.org"] It is "church leaders," (better known as "Blended Brothers,") who call the shots. Moreover, "relatively few of those leaders work for LSM," says Chris Wilde.

However, consider the following:

- The December 12, 2006 public statement bears the heading: "Statement from Living Stream Ministry and the Local Churches [RE:] Texas Supreme Court Decision..." The opening sentence reads: "On August 2, 2006, Living Stream Ministry (LSM) and 93 local churches petitioned the Texas Supreme Court..." According to their own writing, the statement is from (#1) LSM and (#2) 93 local churches. Who appears to be taking the lead?
- The latest public statement, like earlier ones, tells editors to contact: "Chris Wilde with Living Stream Ministry" or "Dan Towle with the Local Church." As indicated, Chris Wilde is "with LSM." Dan Towle, although he is portrayed as "with the Local Church," was (in fact) for years the President of the LSM-funded, DCP. Both contacts are (directly or indirectly) linked to LSM
- LSM-spokesman, Chris Wilde, claims it is "church leaders," [the blending co-workers,] who make the decisions and "relatively few of those leaders work for LSM." The "core group" of "church leaders" should be the 21 blending co-workers who wrote a series of letters to Titus Chu, in 2005-6 leading up to his quarantine. [posted on AFaithfulWord.org]
- We compared the 21 blending co-workers who wrote Titus Chu with LSM's Board of Directors listed on the 2004 IRS Tax return. The comparison indicates 10 LSM board members (out of 15) are among the core blending co-workers. These include: Benson Phillips (LSM President), Andrew Yu (Secretary), Ron Kangas (Sr. Editor), Ed Marks (Sr. Editor), Francis Ball (VP) and 5 other LSM directors. Strictly speaking it may be true that "relatively few of those leaders work for LSM," as Chris Wilde said. However, that statement is (at best) misleading, since it omits the role of LSM Board members & officers of the corporation. Hence, while (strictly speaking) it is true that, "relatively few of those leaders work for LSM"; It is also true that 10 of the 21 signatories of the letters to Titus Chu serve on LSM's board of directors! We only have to add former LSM-director, Liu Suey or the LSM-funded, DCP's Dan Towle to reach an absolute majority--11 of 21 signers--affiliated with LSM. We conclude that a majority of (the core group of) "Blended Brothers" are indeed affiliated with LSM. Hence, LSM via its Board-members & officers who are also "Blended Brothers," did have a leadership role in this litigation. We believe, "*All decisions* [regarding litigation] *have come from that group*"—i.e. the core "Blended Brothers," including those who are LSM-Board members & officers.
- Based on the above we use the terms "Blended Brothers" and "LSM's Blended Brothers" interchangeably. Moreover, rather than refer to "LSM and 93 affiliated local churches," as the plaintiffs in the LSM-Harvest House case, we use the term "LSM" as a convenient shorthand expression.