

FINDINGS OF FACT, CONCLUSIONS AND RECOMMENDATIONS

by the

Judicial Committee

of

URANTIA Brotherhood

Hearing held at
Houston, Texas
December 12 and 13, 1980

Approved by the
Executive Committee
URANTIA Brotherhood
February 7, 1981

FINDINGS OF FACT, CONCLUSIONS AND RECOMMENDATIONS

JURISDICTION:

I. The Committee finds that it has jurisdiction to require the First URANTIA Society of Houston to show cause why its Charter as a Society of URANTIA Brotherhood should not be revoked for conduct contravening the spirit and purpose of URANTIA Brotherhood by failing and refusing to execute a Licensing Agreement with URANTIA Foundation, and to adjudicate whether or not such Charter should be revoked. Authority for this hearing and such adjudication is found in Section 5.6 of the Constitution of URANTIA Brotherhood. The Committee finds that all procedural requirements of the Constitution have been fully met, that the required notice has been given, that a full and fair hearing has been held at which all interested parties were given an opportunity to be heard, and that the Committee has received sufficient evidence upon which to base findings, conclusions and recommendations.

II. The Committee finds that, as an integral and inherent part of the show-cause hearing authorized by Section 5.6 of the Constitution of URANTIA Brotherhood, it has jurisdiction to determine all intermediate and ancillary issues of fact which are reasonable, appropriate or necessary to be determined in order to reach the ultimate issue of the revocation of the Houston Society's Charter. Among those issues which must be determined by the Committee in order to reach the ultimate issue of revocation of the Charter are the two which follow.

A. The Committee finds that it has jurisdiction to determine the identity of the true officers of the First URANTIA Society of Houston during all relevant times during 1979 and 1980. Such a determination is required because there were two groups of persons, each claiming to be the true officers of the Houston Society during the time in question. One group of persons claiming to be the true officers conducted a meeting of Society members at which a Licensing Agreement was purported to have been ratified; other persons claiming to be true officers, contend that such a meeting was not authorized by them, and was not therefore a lawful meeting of the Society. The validity of the action of the Society at the meeting depends upon the identity of the true officers of the Society.

B. The Committee finds that it has jurisdiction to determine whether or not the First URANTIA Society of Houston has validly executed a Licensing Agreement with URANTIA Foundation. A finding on this issue is necessary because the failure to validly execute such an agreement is the alleged grounds for revocation of the Charter.

III. The Committee finds that it has jurisdiction under Section 11.9 of the Constitution of URANTIA Brotherhood, sitting as the supreme arbitrating body of URANTIA Brotherhood, to hear and determine each of the matters detailed below. Section 11.9 extends the jurisdiction of the Judicial Committee to "all matters pertaining to the affairs of URANTIA Brotherhood and to all differences between...any URANTIA Society and any member thereof or between any members or groups of members." The Committee finds that each of the matters detailed below has properly been placed before the Committee for resolution, that proper notice has been

given to all interested parties, that a full and fair hearing has been held at which all interested parties were given an opportunity to be heard, and that the Committee has received sufficient evidence upon which to base findings, conclusions and recommendations.

A. The Committee finds that it has jurisdiction to determine the identity of the true officers of the First URANTIA Society of Houston during the latter half of 1979 and all of 1980. Jurisdiction arises because two different groups of persons claim to have been, and to be, the true officers of the Houston Society during the same time frame. Inasmuch as URANTIA Brotherhood has chartered only one First URANTIA Society of Houston, and inasmuch as URANTIA Brotherhood must deal with its component Societies only through their duly elected officers, it is essential that URANTIA Brotherhood determine which of the contending groups actually represents the Houston Society as its true officers. Such a determination is essential for the Brotherhood to know what acts of the Houston Society are the acts of a component Society of the Brotherhood, and in order to interrelate with the Houston Society in the ordinary day-to-day affairs of the Brotherhood.

B. The Committee finds that it has jurisdiction to determine whether or not the Texas Corporation known as "First Urantia Society of Houston, Inc." is the identical organization as the First URANTIA Society of Houston chartered by URANTIA Brotherhood, or is a subordinate organization of, or is related to, or is a successor to, the organization chartered by the Brotherhood. Such a determination is essential to URANTIA Brotherhood in order to allow it to identify its own component Society. If the Texas Corporation is, in fact, the same organization as its Chartered Society, or is an instrumentality of it, URANTIA Brotherhood needs to know this fact in order to deal with it as its component in Houston. On the other hand, if the Texas Corporation is not the same organization as its Chartered Society, the existence of a Corporation by that name will cause much confusion among those wishing to deal with URANTIA Brotherhood and its component Society.

IV. The Committee finds that its exercise of jurisdiction in the matters covered in these hearings does not violate the principle of Society Autonomy contained in Section 5.4 of the Constitution of URANTIA Brotherhood for the following reasons:

A. None of the matters determined by the Committee are purely local in import or effect: they radiate beyond the local Society and affect the very composition and identity of URANTIA Brotherhood, itself;

B. Section 5.4 of the Constitution of URANTIA Brotherhood limits the autonomy of local Societies by granting autonomy:

"except as limited by this constitution or delegated to the General Council, the Executive Committee, or one or more of the Departmental Committees."

This provision has the legal effect of exempting the activities of the Judicial Committee, a Departmental Committee, taken pursuant to Sections 5.6 and 11.9 of the Brotherhood Constitution, from the scope of Society autonomy.

C. Article III of the Constitution of the First URANTIA Society of Houston reads:

"This URANTIA Society, while autonomous in the conduct of its local affairs is subject to the constitution of the URANTIA Brotherhood..."

This provision has the legal effect of adopting, by reference, those provisions of the Constitution of URANTIA Brotherhood which specifically authorize the General Council, the Executive Committee or one of the Departmental Committees to perform their constitutional functions within the jurisdiction of the Houston Society. These hearings pursuant to Sections 5.6 and 11.9 of the Constitution of URANTIA Brotherhood are specifically authorized by the Constitution of the First URANTIA Society of Houston.

D. There is no procedure established by, or contained within, the Constitution of the First URANTIA Society of Houston whereby the Society can conclusively determine and resolve the disputes over the major matters before this hearing. Although the contending parties could, if they desired, come to an agreement among themselves which would be recognized by the Brotherhood, in the absence of such agreement, the only administrative machinery available to resolve the dispute is that provided by the Constitution of URANTIA Brotherhood. Jurisdiction is appropriate under the rule of necessity.

FINDINGS ON THE ISSUES:

1. The Committee finds that the true officers of the First URANTIA Society of Houston for the past two Society Years were, and are:

For Society Year 1979: those duly elected on February 22, 1979:

James P. Jarnagin, President;
Glenn Bell, Jr., Vice-President;
Lea House, Secretary; and
Adrienne Jarnagin, Treasurer; each of whom served out a full term of office, and:

For Society Year 1980: those duly elected on January 25, 1980:

William A. Gardner, President;
Harry Weatherford, Vice-President;
Kathryn Kelly, Secretary; and
Kathleen Roberson, Treasurer; each of whom remained in office at the time of the hearing except Kathryn Kelly who was replaced as Secretary on August 15, 1980 by James P. Jarnagin.

The Committee further finds that no other person than those above named held any of the four constitutional offices of the First URANTIA Society of Houston during any part of Society Years 1979 and 1980. The Committee

further finds that at no time during Society Year 1979 was there any vacancy in any of the four constitutional offices of the First URANTIA Society due to resignation, abandonment or any other form of termination of office by an incumbent.

A. The Committee finds that there was no dispute concerning the identity or effectiveness of the officers of the First URANTIA Society of Houston prior to August, 1979: it was the slate duly elected on February 22, 1979.

B. The Committee finds that, although there was a long-standing disagreement within the Houston Society as to whether or not the Society should execute a Licensing Agreement with URANTIA Foundation, such disagreement did not polarize into a challenge of the leadership of the Society prior to July, 1979.

C. The Committee finds that the challenge to the leadership of the Houston Society originated in the incidents surrounding a special meeting of the Houston Society called by its regularly-elected officers for July 20, 1979.

1. The meeting was duly and properly called for the announced purpose of "finalizing our decision" "concerning the position of our Society in the matter of the Licensing Agreement with the URANTIA Foundation."

2. Official notice of such meeting, dated July 6, 1979, was sent to all active members of the Houston Society by Lea House, Secretary of the Society, in accordance with the Constitution of the Houston Society. Notice was not sent to inactive members who had no vote, such notice not being required by the Constitution.

3. Such notice set forth two "proposals": one, "a proposal introduced by Allen Brazell: A. Not execute the Licensing Agreement. B. Prepare and sign a resolution and forward to the URANTIA Brotherhood;" and the other, "a proposal introduced by Jim Jarnagin: A. Create a corporation in the State of Texas to act as fiscal agent for the Society. B. Have the corporation sign the Licensing Agreement." Members were asked to vote on the proposals "on this official ballot in the space provided below, and bring it with you." Active members who "cannot attend" were requested to "please use the enclosed envelope and mail your vote to the Secretary, Lea House." This notice complied with Section 5.3 of the constitution of the First URANTIA Society of Houston which authorizes "absentee voting" by marking the "notice" and by "signing and mailing it back to the Secretary."

4. Without any knowledge of, or permission by, the officers of the Houston Society, and acting without any color of authority, Mr. W. Allen Brazell wrote a letter to most, if not all, inactive members of the Society (hence, not eligible to vote without reinstatement) and to some active members, urging opposition to the Licensing Agreement, and enclosing a spurious "ballot" which was to be filled out and returned to Mr. Brazell, not to the Secretary of the Society as required by the Constitution.

5. Sixteen members attended the meeting on July 20, 1979. The Committee finds the minutes at Tab 4 of Exhibit E to be a true copy of the minutes of such meeting. After the proposals of Mr. Jarnagin and Mr. Brazell as outlined in the notice were discussed, Mr. Brazell challenged the adequacy of the notice to all qualified voters without success, after which he produced some opened "ballots" from inactive members upon the forms he had drafted. The validity of the "ballots" held by Mr. Brazell was debated by the Society. Upon motion, the Society voted 11 to 4 not to accept the ballots "for the following reasons: one, they were not mailed to the Secretary, secondly, they are dated in another hand than that which signed them."

6. Notwithstanding the disqualification of the absentee ballots of inactive members held by Mr. Brazell, when the Society voted on the issue of the Licensing Agreement, the proposal of Mr. Brazell "A. Not execute the Licensing Agreement. B. Prepare and sign a Resolution and forward to the URANTIA Brotherhood," prevailed by a vote of eleven (11) in favor and six (6) opposed, with the President not voting. The Houston Society did not approve or execute the Licensing Agreement in July of 1979.

7. The second portion of Mr. Brazell's proposal was to prepare and sign a resolution indicating the action of the Society and to send it to "URANTIA Brotherhood." Such a "Resolution" had already been prepared by Mr. Brazell, and it was circulated at the meeting for those who wished to sign it. The Committee finds that the resolution at Tab 6 of Exhibit E is a true copy of the Resolution circulated at the meeting. In spite of his opposition to the action taken, Mr. James P. Jarnagin, President, signed the petition. Lea House, the Secretary, also signed it. The Vice-President, Mr. Glenn Bell, Jr., was absent. It was agreed that Mr. Brazell would retain possession of the Resolution, and would obtain the signature of Mr. Glenn Bell, Jr., before the Resolution was reproduced for mailing.

8. When the Resolution was returned for reproduction and mailing, in addition to the signature of Glenn Bell, Jr., there had been added to it the purported signatures of at least eight (8) persons who were not present at the meeting on July 20, 1979, at least seven (7) of whom were inactive members ineligible to vote. Without prior authority from the Society, Mr. Brazell had added to the Resolution the "signatures" of those persons whose votes had been rejected by the Society on July 20, 1979. Upon inquiry, Mr. Brazell admitted that some of the names were not placed on the Resolution by the persons whose signatures they purported to be; however, he claimed oral or written authority to place each of them there.

9. Upon learning of the addition of unauthorized "signatures" to the Resolution, Mr. Jarnagin, Mr. Bell, and one other member crossed off their own signatures from the Resolution, making it inappropriate for reproduction and mailing. The Governing Committee of the First URANTIA Society of Houston voted not to send out the Resolution containing the purported "signatures" of persons not participating in the vote, not eligible to vote, and not signing the Resolution.

10. Insofar as this Committee is able to determine, the schism in the First URANTIA Society of Houston was deliberately instigated and orchestrated by Mr. W. Allen Brazell in order to reverse and countermand the decision of the Society on July 20, 1979, not to count the votes of inactive members on the issue of the Licensing Agreement, and the decision of the Society not to mail the Resolution containing the "unauthorized" signatures. It is noted, parenthetically, that the disqualified votes did not affect the outcome of the voting, as the Society voted not to execute the Licensing Agreement.

D. The Committee finds that at no time during the Society Year of 1979 did the officers of the First URANTIA Society of Houston, or any of them, resign, vacate or abandon their office, or cease to function as an officer. The Committee further finds that none of the officers of the First URANTIA Society of Houston during the Society Year 1979 was guilty of misfeasance, malfeasance or nonfeasance to a degree that would warrant his or her removal by Society action. The Committee further finds that there was never any action taken by the First URANTIA Society of Houston, or by anyone authorized to act for or on behalf of the Society, to either remove or replace any of its officers for the Society Year 1979.

E. The Committee finds that, although the officers of the First URANTIA Society of Houston for Society Year 1979 were never removed or replaced, a few dissident members under the leadership of Mr. W. Allen Brazell and Mr. Kermit Laurent took disruptive actions and made false claims in an effort to divest the leadership of the Society from its duly elected officers and assume power for themselves. The Committee finds that none of these actions was taken within the framework of the Constitution of the First URANTIA Society of Houston, nor did any purport to follow due process of law. The Committee finds that none of these actions was effective to remove or replace any duly elected officer of the Society.

F. In spite of the failure and refusal of Mr. Brazell and Mr. Laurent to cooperate with the Committee by participating in its efforts to determine the true facts concerning their challenge to the leadership of the First URANTIA Society of Houston, the Committee has been able to piece together with moral certainty the sequence of events which occurred in Houston during the latter half of 1979, and to assess the legal consequences of the acts. A statement of the findings of the Committee concerning these events follows in chronological order.

1. The Committee finds that the challenge to the leadership of the Houston Society did not occur from any spontaneous or widespread discontent among its members concerning the actions of its officers; rather, it occurred as a result of deliberate, well orchestrated unilateral actions by W. Allen Brazell and Kermit Laurent.

a. Mr. W. Allen Brazell held no office or position in the Houston Society during 1979. As noted above, on July 11, 1979, he sent notices of the July 20, 1979, meeting to persons not entitled to vote, and enclosed spurious ballots to be returned to "First Urantia Society of Houston c/o Allen Brazell." In the letter he announced that,

at the July 20 meeting, the Society would select a delegate to the Triennial Delegate Assembly. He announced his candidacy for the position, and enclosed a "ballot." No such item was on the agenda. Some time after July 20, 1979, he "called" a meeting of the Society to consider a change in the Constitution to modify the provision under which his absentee ballots had been rejected on July 20, 1979. When the Governing Committee advised the membership that there would be no such meeting, Mr. Brazell "cancelled" it by letter dated July 28, 1979. In this letter, Mr. Brazell admitted adding the names of five (5) inactive members to the list of signatures on the Resolution.

b. As a result of the unauthorized unilateral actions taken by Mr. Brazell, the Governing Committee of First URANTIA Society of Houston took action to protect itself. On July 29, 1979, it decided to: 1) notify the President of URANTIA Brotherhood that the only official correspondence of the Society would bear the signatures of two or more officers; 2) request Allen Brazell to appear before the Governing Committee at 7:30 p.m. August 1, 1979, and 3) mail notice to all members of the Houston Society that "the mailing by Allen Brazell should be discarded." Mr. Brazell did not appear before the Governing Committee on August 1, 1979, as requested. The Governing Committee voted to notify Mr. Brazell to appear before the Governing Committee on August 22, 1979, to show cause why his membership in the Society should not be revoked. Mr. Brazell was notified of this action.

c. On Sunday, August 5, 1979, some members of the Houston Society were invited to dinner at the home of Mr. Brazell. The officers were not invited. The dinner was not announced as a meeting of the Society. Although the record of what happened at the dinner is not clear, it appears that some sort of informal organization was created by those present to challenge the leadership of the Society.

2. The Committee finds that, at a dinner at the home of Mr. Allen Brazell on August 5, 1979, or at some other time and place which has not been disclosed, Mr. W. Allen Brazell, Mr. Kermit Laurent and a small number of members of the First URANTIA Society of Houston organized a group which they called "Majority Membership." Inasmuch as the group did not constitute a majority of the membership of the Houston Society, the name was misleading. The group either elected or appointed officers: a Chairman, a Vice-Chairperson, a Secretary and a Treasurer, which they collectively called a "Board of Directors, Majority Membership." The Committee finds that this organization was not an activity or function of First URANTIA Society of Houston for the following reasons: 1) no such offices or organizational structure is authorized by the Constitution of the First URANTIA Society of Houston; 2) the action was not taken by the Society or any persons authorized to act for the Society; 3) no notice of any sort was given to the members of the Society of any meeting to consider such action; and 4) the officers and Governing Committee of the Society were functioning as its officers, and had not abandoned or delegated their duties.

3. Although the intended function and purpose of the group known as 'Majority Membership' is unclear, the Committee finds that it was used by Mr. Brazell and Mr. Laurent to challenge the authority of

the duly elected officers of the Society. In a document dated August 1, 1979, (sic) it expressed in vague terms that "the Society officers and members shall observe and comply with the Board of Directors in carrying out the will of the Majority Membership." In similar letters dated August 8, 1979, each officer of the Houston Society was "advised" that "effective immediately, your rights and privileges as (an officer) of this Society are suspended, and you stand without authority to speak or act on its behalf." Each document was signed by the same four persons as "Board of Directors, Majority Membership." On August 9, 1979, a letter purporting to be from the First Urantia Society of Houston was sent to the Secretary of URANTIA Brotherhood reporting that the Society would be represented at the Triennial Delegate Assembly by Kermit Laurent and Kathy Fusco. This letter was signed by the same four persons as "Board of Directors, Majority Membership," and by four other persons as the President, Vice-President, Secretary and Treasurer of the Society. The letter did not originate with the Society, it was signed by no officer of the Society, and no such action as that reported in the letter had been taken by the Society. On September 13, 1979, several documents were mailed to the members of the First URANTIA Society of Houston. One purported to be a copy of the minutes of the meeting of July 20, 1979, signed by Kermit Laurent, "Chairman, Board of Directors, First Urantia Society of Houston" (there is no such office). The minutes did not accurately reflect the events at the meeting as recorded in the official minutes kept by the Secretary. Another document was a letter signed by Kermit Laurent, "Chairman, Board of Directors and Governing Committee" announcing that an election of officers would be held on Friday, November 9, 1979, at the home of a member. No such meeting had been called by the Governing Committee of the Society; and the officers' terms did not expire until 1980.

a. The Committee finds that there was absolutely no basis in law for any of the above acts and claims of "Majority Membership." The only "authority" cited by the group was contained in the document dated August 1, 1979, and the letters dated August 8, 1979. These cite the "Constitution, Article V, 5.5 and Article XI." The only relevant portion of Article V (if any is relevant) is Section 5.5. Section 5.5 deals with "powers" of "this Society in formal meeting..." Section 5.2 defines Formal Meetings and prescribes the various methods by which formal meetings are convened. The Committee finds that at no time did the dissident group under Mr. Brazell and Mr. Laurent ever hold a formal meeting as required by the Constitution to exercise the "powers" of the Society. The cited Article V, and Section 5.5 prove conclusively that their purported actions were not the actions of the Society, but rather were nullities. Article XI adopts Robert's Rules of Order, Revised, as "parliamentary authority in all matters not specified in this constitution." There is nothing in Robert's Rules of Order, Revised that could reasonably legitimize the procedures employed by Mr. Brazell, Mr. Laurent and "Majority Membership" to usurp the powers of the duly elected officers of the Society.

b. Further, the Committee finds that, prior to November 9, 1979, there was no action by the members of the Society, including those associated with "Majority Membership," to either remove the duly

elected officers or replace them with other elected officers. The assumption by the various dissident members of titles of office was without any semblance of authority and completely devoid of due process. This conclusion is based upon the following information contained in the record.

(1) No notice of any sort was ever given by the Brazell faction or received by the members of the Society of any meeting prior to November 9, 1979, to even consider the removal or replacement of Society officers.

(2) No notice of any sort was ever given to any officer of the Society that he or she was being considered by the Society, or any part of it, for removal from office.

(3) Except for the testimony of Mr. Kermit Laurent before the Federal District Court, which testimony is considered to be in error, the record is not only devoid of any indication of a vote by the Society or the dissident group on the issue of replacing the duly elected officers, the record affirmatively indicates that no such vote was ever taken before November 9, 1979. This view is supported by the following evidence.

(a) A letter by Mr. Brazell dated July 28, 1979, postpones a meeting of the Society called by him for August 9, 1979. It seems unlikely that such a meeting would have been called or postponed if an earlier meeting were scheduled to consider the removal of officers.

(b) The document entitled "Majority Action" dated August 1, 1979, (sic) announcing the formation of "Board of Directors, Majority Membership," not only does not indicate the removal of the duly elected officers, it calls upon such officers to "observe and comply with the Board of Directors," etc. This language would not have been used had there been any action to remove and replace the elected officers.

(c) The letters dated August 8, 1979, from the "Board of Directors, Majority Membership," addressed to the officers "suspending" their "rights and privileges" as officers contain no allegation that they had been either replaced or removed. The letters were devoid of any reference to any date, time or place of any action by any of the members of the Society, or any hearing in which their removal or suspension was considered. If any such hearing or vote were ever held, it certainly would have been referred to in the letters.

(d) The letter dated August 9, 1979, to the Secretary of URANTIA Brotherhood makes absolutely no mention of any vote or action by the First URANTIA Society of Houston, or of its members, to remove and replace its duly elected officers. Although the letter is signed by persons who were not, in fact, the officers they claimed to be, this is not evidence of an election. If an election had been held, it certainly would have been mentioned.

(e) In the letter dated August 9, 1979, to the Secretary of Urantia Brotherhood, Jo Brown signed her name as Secretary, First Urantia Society of Houston. Lea House was the duly elected Secretary of the Society. In a letter dated August 22, 1979, this same Jo Brown resigned her membership in the First URANTIA Society of Houston. She addressed her letter of resignation to "First URANTIA Society of Houston, c/o Lea House.....Dear Secretary..." Thus, it is obvious that Jo Brown did not consider that she had replaced Lea House as Secretary. It is doubtful this letter of resignation would have been mailed to Lea House if there had been an election replacing her as Secretary.

(f) In his letter of September 13, 1979, transmitting the "corrected" minutes of the meeting of July 20, 1979, Mr. Kermit Laurent signed the document as "Chairman, Board of Directors." There is no such office in the Houston Society. In another letter of the same date calling an election for November 9, 1979, he signed as "Chairman, Board of Directors and Governing Committee." Under the Constitution, the President of the Society is Chairman of the Governing Committee. In neither of these letters is there any reference to a removal of the old officers or their replacement by members of the Society. If such an event had occurred, it would have been reported.

(g) Highly significant evidence of what happened is contained in two letters signed by W. Allen Brazell. The first, dated October 10, 1979, to all members of the Houston Society extends thanks to "those persons who, when the former officers abandoned the majority membership, stepped forward to assume temporary office August 8, 1979..." (emphasis added) The second, probably written on November 8, 1979, to John Hales, President, URANTIA Brotherhood, refers to the "removal of the Jarnagins from office" in terms more consistent with a theory of abandonment and replacement than in terms of a removal by a vote after a hearing. Neither letter makes any mention of any hearing, any removal action or any vote: facts which are so important that they would certainly have been mentioned had they ever occurred.

c. The Committee finds that the dissident group which called itself "Majority Membership" never, at any time, had the active participation and support of a majority of the membership of the First URANTIA Society of Houston. In July and August, 1979, there were twenty (20) active and seventeen (17) inactive members of the Society. During its entire existence, only eight (8) active members and one (1) inactive member were associated by name with "Majority Membership," and one of the active members, Jo Brown, resigned from the Society within three weeks. On the other hand, on August 10, 1979, eleven (11) active members signed the following statement:

"We, the undersigned, being members in good standing of the First URANTIA Society of Houston, and further being shown as active members on the membership roll book...said roll book containing twenty names, do support the Governing Committee in all actions taken as a result of the schism in the Society, said schism resulting from the actions of some members subsequent to the July 20, 1979, Special Meeting..."

It is therefore clear that the majority of the active membership of the First URANTIA Society of Houston at all times supported the duly elected officers (the Governing Committee) of the Society, and only a minority supported the dissident activities of "Majority Membership."

G. The Committee finds that the purported election of officers at an "annual meeting" held by the Brazell group on November 9, 1979, was null and void insofar as it affects the First URANTIA Society of Houston, and that it was effective only to replace officers of the dissident group known as "Majority Membership." Such election did not, and could not, affect the officers of the First URANTIA Society of Houston for the following reasons.

1. Since the inception of the Society, the annual meetings at which officers are elected have been held in January or February with the single exception of Society Year 1978, for which the meeting was moved up to December, 1977, for the convenience of the hosts.

2. The term of office established by the Constitution is "For one year and until their successors are duly elected and qualified." The term of office of officers elected in February 1979, did not expire until January or February, 1980. The Committee finds that the information given to the members of the Society by Mr. Brazell and to the Federal District Court by Mr. Laurent concerning the expiration of terms of office was incorrect.

3. The Constitution of the Houston Society provides for the election of officers at "its regular annual meeting..." A "regular annual meeting" is held "once each calendar year at its usual place of meeting or at the time and place designated by the Governing Committee." The meeting on November 9, 1979, was not "at its usual place of meeting," nor at the regular time of the annual meeting, nor was it at a "time and place designated by the Governing Committee." The meeting on November 9, 1979, was therefore, in no sense a "regular annual meeting." It therefore had no power to elect officers of the Society.

4. The Committee finds that the persons acting with and for "Majority Membership," including those of the dissident group claiming to be officers, were not, in fact, officers of the First URANTIA Society of Houston, but rather were mere interlopers, having no status whatsoever, and no authority to act in any capacity for the Society. The Committee finds that such persons had no authority to call any meeting or set any agenda of the First URANTIA Society of Houston which included the election of officers, and that any purported election as a result of a meeting resulting from such a call was null and void.

5. The Committee finds that the meeting on November 9, 1979, did not have a quorum present. A quorum is a "majority of the active membership." The minutes of the meeting do not record who or how many were present. They list 14 persons as "voting," which includes absentee votes. Of the fourteen (14), six (6) were inactive members, leaving only eight (8) active members who could have been present. This is

not sufficient to constitute a quorum, therefore, it would have been impossible to have validly elected officers at the meeting.

H. The Committee finds that the officers of the First URANTIA Society of Houston who were elected on February 22, 1979, to serve for the Society Year 1979 remained in office, and served continuously and without interruption of their term, until they were duly replaced by the slate of officers elected at the annual meeting of the Society properly held on January 25, 1980, to serve for the Society Year 1980.

II. The Committee finds that the Texas Corporation known as "First Urantia Society of Houston, Inc." is not, was not, and has never been, either the identical organization, or the successor to, or an instrumentality of, the First URANTIA Society of Houston, a component Society of URANTIA Brotherhood, chartered by URANTIA Brotherhood in 1970 and delivered in 1971.

A. The Committee finds that the First URANTIA Society of Houston has not, at any time, authorized its officers or anyone else on its behalf to organize a Texas Corporation for any purpose. To the contrary, on July 20, 1979, the Society, by a vote of eleven (11) to six (6) rejected a motion to incorporate. Mr. Brazell led the opposition. The matter of incorporation had not again been considered by the Society at any meeting prior to the issuance of the Texas Corporate Charter.

B. None of the persons listed as the incorporators and registered agent of the Texas Corporation known as "First Urantia Society of Houston, Inc." was, at the time of incorporation or at any time since, an officer or agent of the First URANTIA Society of Houston chartered by URANTIA Brotherhood.

C. The Committee finds that there is, and always has been, only one First URANTIA Society of Houston chartered by URANTIA Brotherhood. Such Society has never divided into two or more Societies, nor has it ever authorized any other group to use its name.

D. It is noted that the incorporators and registered agent of the Texas Corporation were W. Allen Brazell, his wife Sue Via Brazell, Kermit Laurent and Cathy Fusco: all a part of the dissident group calling themselves "Majority Membership." It therefore appears that these four persons, without any authority to do so, wrongfully appropriated the name of the First URANTIA Society of Houston, and used it as a part of the name of their own private corporation, as a ploy or device to confuse the members of the Houston Society, and to give their dissident group an appearance of legitimacy which it did not otherwise have.

1. The record is not clear as to whether or not the Texas Corporation was chartered as a result of action by "Majority Membership" or as a result of the unilateral action of the incorporators. The minutes of the "Majority Membership" meeting on November 9, 1979, at which they purported to elect officers for the Society shows that the matter was not discussed. In a letter dated November 30, 1979, to "Society Members, Fellow Urantians and Friends," Mr. Kermit Laurent argues that "the responsibility of governing...in accordance with the

will of the majority membership, is currently entrusted..." to the officers "elected" on November 9, 1979. To support his argument, he says: "The ownership of the name of our Society, its postal address, and the validity of its current constitutional government by the above-named officers are facts of record with the Secretary of the State of Texas (sic)." Although the letter suggests no authority by Mr. Laurent and others to incorporate their group, it does demonstrate the technique of unilaterally recording self-serving information with a State Agency and then referring to the record in order to increase their own credibility. It does seem that if the incorporators were authorized by their dissident group to incorporate, there would be some record of the authorization. There is a high degree of probability that the incorporation was never specifically authorized by any group: It was simply done by the incorporators.

2. It is noted that the pleadings and testimony in the case of URANTIA Foundation v. First Urantia Society of Houston, Inc., C.A. No. H-80-1428 in the U.S. District Court for the Southern District of Texas, Houston Division, reflect that the defendant Corporation bases its defense upon the theory that it is the identical First URANTIA Society of Houston chartered by URANTIA Brotherhood. The Committee has admitted and considered the pleadings and testimony of the defendants in that case as if they were given under oath before this Committee. The Committee finds the testimony of the defendants to be in error on several material issues, including the ultimate issue as to whether or not the Society of URANTIA Brotherhood and the Texas Corporation are one and the same. The Committee finds that they are not identical, nor have they ever been.

E. The Committee finds that the very existence of a Texas Corporation called "First Urantia Society of Houston, Inc." which is not, in fact, the same organization as, or an instrumentality of, or a successor to, the First URANTIA Society of Houston, chartered by URANTIA Brotherhood, creates confusion among both the members of the Society and the general public who wish to deal with the Society as a component of URANTIA Brotherhood. This confusion is multiplied when the incorporators of the Texas Corporation are, or represent, a dissident group which has openly--but unsuccessfully--challenged the duly elected leaders of the Society, and who purposefully and wrongfully use the similarity of the corporate name to confuse the members and the public as to the true nature, size and effectiveness of their dissident group. The Committee finds that the Texas Corporation was organized to create confusion, and to give the appearance of legitimacy to a group which otherwise had no status in URANTIA Brotherhood.

F. The Committee finds that the claims to legitimacy by the dissident members of the Houston Society have been fully litigated by a full and fair hearing. There is only one First URANTIA Society of Houston. Its only officers are those elected on January 25, 1980, and their successors in office. It is not represented by the persons "elected" on November 9, 1979, nor their successors, nor by the Texas Corporation called "First Urantia Society of Houston, Inc." All members

of URANTIA Brotherhood, and all other persons of good will, are called upon to respect, honor and abide by this determination.

III. The Committee finds that the First URANTIA Society of Houston accepted, and its officers validly executed, a Licensing Agreement with URANTIA Foundation. It is noted that the matter came before the Society for action on two separate occasions in 1979: the first, on July 20, 1979, and the second on December 7, 1979. In July the Society voted not to accept, or execute, the Licensing Agreement. In December, the Society reversed its position and voted to accept, and execute, the Licensing Agreement. The December vote has never been reconsidered or reversed.

A. The Committee finds that the vote to accept the Licensing Agreement was taken at a duly called special meeting of the Houston Society. Written notice of the meeting was prepared and mailed on or about November 26, 1979, which was more than seven days prior to the meeting. Although the purpose of the meeting could have been stated more clearly, the wording put the members on fair and reasonable notice that the Licensing Agreement would be considered and acted upon. The Society had been placed upon notice by URANTIA Brotherhood that it faced the probable loss of its Charter for not signing the Licensing Agreement. Its officers and members had been summoned to a Show Cause hearing. All members were aware that Houston was the only Society in the Brotherhood which had not executed a Licensing Agreement with URANTIA Foundation. The matter had been under dispute for years, and needed to be terminated. The Licensing Agreement was therefore the obvious and principal topic to be discussed at a meeting to consider the "status of the Society." The Society Constitution allowed this matter to be resolved at a special meeting. See Section 5.5.a.

B. A quorum was present at the meeting. There were twenty (20) active members at the time. A quorum is a "majority of the active membership." Eleven (11) active members were present.

C. On the motion to accept and execute the Licensing Agreement, the vote was nine (9) favoring, one (1) opposing, and one (1) abstention. Thus, the motion carried by substantially more than the majority of a quorum necessary to constitute the "action" of the Society. The minutes reflect that three (3) absent active members had written letters supporting the action taken. This brings to a total of twelve (12) active members out of a total of twenty (20) active members who are on record as supporting the acceptance and execution of the Licensing Agreement.

D. Although the Committee would have preferred stronger support for the Licensing Agreement for the health of the Society, its authority is limited to a determination of the validity of the Society's action. The Committee has no doubt that, under the Constitution of the First URANTIA Society of Houston, and in accordance with accepted administrative law and parliamentary procedure, the vote to accept and execute the Licensing Agreement was, under the circumstances, sufficient as a matter of law to constitute the "action of the Society."

CONCLUSIONS AND RECOMMENDATIONS:

I. The Committee concludes that the majority of the active members of the First URANTIA Society of Houston do now support, and at all relevant times have supported, the duly elected officers of the Society on the issue of the leadership of the Society. From July, 1979, through the date of the hearing (December 12-13, 1980) there was never any time at which more active members supported the dissident group leaders than supported the duly elected officers of the Society.

II. The Committee concludes that, on the separate issue of signing the Licensing Agreement, until December, 1979, the majority of the active members opposed signing the agreement. On July 20, 1979, the Society rejected the agreement by a vote of eleven (11) to six (6) with the President not voting. However, when it appeared that the Society would lose its charter as a result of this action, some members changed their vote. On December 7, 1979, the Society accepted the agreement by a vote of nine (9) to one (1), with one (1) abstention. The minutes reflect that three active members who did not vote wrote in favor of accepting the agreement under the circumstances. Although the actual vote was adequate to constitute the action of the Society, and although the record indicates that a majority (12/20) of the Society supports the signing of the Licensing Agreement, there remains a reservoir of opposition to the agreement among the members of the Society. Some of those who voted to sign the agreement were reluctant to do so.

III. The Committee concludes that the schism in the Houston Society did not center over the issue of the Licensing Agreement, but rather over the issue of the leadership of the Society. At the time the schism occurred, the Society had clearly rejected the Licensing Agreement, and its officers had accepted that decision. The schism occurred over the propriety of the conduct and actions of W. Allen Brazell in his efforts to dictate meeting times, agenda and voting procedures of the Society: matters clearly within the jurisdiction of its duly elected officers acting as its Governing Committee.

A. The catalyst which precipitated the formal schism was the refusal of the Society under the leadership of its duly elected officers to mail out the resolution, prepared by Mr. Brazell, condemning the proposed Licensing Agreement. Although the Society was willing to mail the resolution, itself, it was not willing that the resolution should contain the apparent signatures of persons who were not active members of the Society, whose votes on the issue had been disqualified by the Society, and who had not actually signed the resolution. When Mr. Brazell was called to task before the Governing Committee of the Society (composed of its duly elected officers) he not only refused to appear, he also set in motion the various activities of the dissident group to challenge the leadership of the Society. Since July, 1979, Mr. Brazell has not participated in any of the formal meetings or activities of the Society.

B. It is noted that the dissident activities of Mr. Brazell did not receive the support of the long-time or established members of the Society. With the exception of Mr. Brazell and his wife, seven names appear on documents as "officers" of various sorts of the dissident group. Of these seven (7) persons, one (1) (Kermit Laurent) had been a member for about thirty (30) days when the schism began, five (5) (Lapentina, Fusco, Charles, Kline, and Brown) had been members for less than sixty (60) days, and one (1) (Nolan) was an inactive member. Other than the Brazells, no active member of the Society who had been a member for more than two months appears to have been involved in the original dissident group.

IV. The Committee concludes that the officers of the First URANTIA Society of Houston duly elected on February 22, 1979, remained in office until the expiration of their term of office and replacement on January 25, 1980, by the new officers duly elected on that date. At all relevant times the officers acted as officers in all Society activities, and the Society responded to the leadership of the officers.

A. At no time did the First URANTIA Society of Houston take any form of action to remove or replace any officer. No member proposed such action, nor was it an agenda item at any formal meeting of the Society. No officer was ever given any notice that the Society might consider his or her removal from office for any reason, nor was there any hearing or vote on such matter.

B. The Committee has found no credible evidence indicating that the dissident group calling itself "Majority Membership" ever conducted any hearing of any sort, with or without notice to either the officers or members of the Society, with a view toward the removal and replacement of the duly elected officers of the First URANTIA Society of Houston. To the contrary, the evidence indicates that the dissident group proceeded upon the theory that the officers of the Society had "abandoned" their respective offices by failing to yield to the will of Mr. Allen Brazell on the issue of the mailing of a resolution opposing the Licensing Agreement, whereupon volunteers stepped in to fill the leadership void. The facts show that it was Mr. Brazell who failed to accept the decision of the Society, not the elected officers. In any instance, the so-called replacement of officers by the dissident group was without any semblance of administrative due process.

C. Although there may be circumstances under which officers of a Society fail and refuse to function as such, in which case the members could take reasonable measures to reconstitute the officers, such circumstances are wholly absent here. The duly elected officers of the Society continued to function as officers of the Society at all relevant times. They continued to call meetings at appropriate times, to preside at such meetings, and to conduct the routine business of the Society on a day-to-day basis. At all times the majority of the active members of the Society attended, and supported, the activities of the Society conducted by its regularly elected officers. The claims by "Majority Membership" that its activities were supported by a majority of the members of the First URANTIA Society of Houston is clearly refuted by the facts of record.

D. The meeting on November 9, 1979, called by the dissident group to elect officers for the Society Year 1980 was ineffective to fill any office in the First URANTIA Society of Houston for the reasons detailed in Finding of Fact I G, above. The persons "elected" at that meeting did not thereby become officers of the Society. Their actions are not the actions of officers of the Society, and do not bind the Society.

V. The Committee concludes that the Texas Corporation organized and chartered in December, 1979, under the name "First Urantia Society of Houston, Inc." is not the same entity as, a subordinate or affiliate of, or a successor to the First URANTIA Society of Houston chartered by URANTIA Brotherhood, for the reasons detailed in Finding of Fact II, above. The Committee further concludes that the organization of a Texas Corporation under the name "First Urantia Society of Houston, Inc.," was done in bad faith by its incorporators for the purpose of confusing, misleading and deceiving the members of the First URANTIA Society of Houston, the members of URANTIA Brotherhood and the general public as to the true identity of the Society, and in order to give their dissident group an appearance of legitimacy which it did not otherwise have.

VI. The Committee concludes that the very existence of a Texas Corporation by the name "First Urantia Society of Houston, Inc." which is not in fact the First URANTIA Society of Houston, and is not a subordinate, affiliate or successor to such Society, causes confusion, mistakes and deception to the members of both the Houston Society and the URANTIA Brotherhood, and to the public in general. This is aggravated by the fact that the incorporators of the Texas Corporation actively foster and promote such confusion and deception, actively misrepresenting their true status. The reputation and good will of both the First URANTIA Society of Houston and of URANTIA Brotherhood are being sullied and diluted by the fact that a Texas Corporation, openly and publicly opposing the policies of URANTIA Brotherhood, falsely masquerades as a component Society of the Brotherhood.

VII. The Committee concludes that the First URANTIA Society of Houston has, in fact, validly endorsed and executed the Licensing Agreement with URANTIA Foundation for the reasons detailed in Finding of Fact III, above. It is noted that the actual vote in favor of the Licensing Agreement totaled nine (9) active members. Three other active members are indicated by the minutes to support the Licensing Agreement. The record indicates twenty (20) active members at the time. While the actual vote was sufficient to constitute the formal "action" of the Society, thereby validating the signing of the Licensing Agreement by Society officers, and while the record indicates the support of twelve of the twenty active members, this does not represent the degree of consensus on an emotional issue which leads to harmony and stability in a Society.

VIII. Because of its conclusion that the Licensing Agreement was, in fact, endorsed and signed by the First URANTIA Society of Houston, the Committee also concludes that there is no basis to revoke the Charter of the Society for failing to sign the agreement, and that the Charter should not be revoked on this ground. No other basis for revocation of the Houston Charter was before the Committee at this hearing.

IX. The Committee recommends:

A. That URANTIA Brotherhood mail to each person who was summoned to appear before this hearing:

1. a copy of these Findings of Fact, Conclusions and Recommendations;

2. a cover letter which identifies the true officers of the Houston Society and which advises all persons concerned that the Texas Corporation "First Urantia Society of Houston, Inc." is not in any way affiliated with URANTIA Brotherhood; and

3. a personal appeal by the President of URANTIA Brotherhood along the lines contained in Recommendation D, below.

B. That URANTIA Brotherhood take whatever measures are appropriate to halt the unauthorized use of the name of a component Society by a Texas Corporation, and to minimize the confusion, mistakes and deceptions flowing from the activities of such corporation.

C. That an Ad Hoc Committee be appointed to work with the First URANTIA Society of Houston, through its duly elected officers, on the matter of healing the rift within the Society concerning the Licensing Agreement. Although the merits of the dispute over the Licensing Agreement was not within the scope of the Committee's jurisdiction, it could not avoid observing that there is a vast amount of misinformation about the nature and effect of the agreement which has been disseminated among the members of the Society. For the health of the Brotherhood, this misinformation needs to be cleared up.

D. That the President of URANTIA Brotherhood issue an appeal to the members of First URANTIA Society of Houston to accept the conclusion of this hearing that the Houston Society has, in fact, executed a valid Licensing Agreement with URANTIA Foundation, and to unite behind the elected leadership of the Society to engage in the more important work of the Brotherhood.

Findings of Fact, Conclusions and Recommendations signed as of December 13, 1980, on the dates opposite our names.

<u>/S/ Duane L. Faw</u> Duane L. Faw	<u>Jan. 26, 1981</u> date
<u>/S/ Burton P. Harris</u> Burton Harris	<u>2/11/81</u> date
<u>/S/ Helena E. Sprague</u> Helena Sprague	<u>Feb. 3, 1981</u> date
<u>/S/ Kenton E. Stephens, Sr.</u> Kenton E. Stephens	<u>1/31/81</u> date
<u>/S/ Ellen Montgomery</u> Ellen Montgomery	<u>27 January 1981</u> date

Attest:

/S/ Marian T. Rowley
Marian T. Rowley, Clerk

DLF/sk 2/24/81