



**LAWSUIT FILED BY THREE LA SIERRA UNIVERSITY EMPLOYEES WHO
WERE FORCED TO RESIGN BY THE BOARD OF TRUSTEES CHAIR**

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For Immediate Release

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On July 28, 2011, the law firm of McCuneWright, LLP, based in Redlands, California, on behalf of Dr. Jeffrey Kaatz, Dr. James Beach, and Dr. Gary Bradley, filed a lawsuit against all responsible parties as a result of actions taken against them in a June 10, 2011, meeting in which the La Sierra University Chair of the Board of Trustees forced these three long-time, dedicated employees to resign. The lawsuit can be found at www.mccunewright.com. In summary, the lawsuit alleges that:

On June 10, 2011, the Chair of the La Sierra University Board of Trustees (a position held by virtue his employment as a high ranking executive with the Seventh-day Adventist Church) confronted and then effectively fired three of the most important leadership employees of La Sierra University. He took this action without the authority of any action by the La Sierra University Board of Trustees and without consultation with, or input from, the President of La Sierra University as required by the University Bylaws and Trustees Handbook.

The purported and pre-textual basis for the effective termination of these three employees was supposedly statements contained in an audio recording surreptitiously obtained at a private get-together of the employees at one of the fired employees' homes. This informal get-together took place immediately following a highly emotionally charged meeting between high ranking Seventh-day Adventist Church executives and the faculty of La Sierra University, in which the Church executives defended the decision to assign La Sierra University a substandard academic accreditation based on the contention that the University was deviating from church doctrine.

This unfounded and untrue charge of deviation from church doctrine was causing great damage to the reputation of La Sierra University, the institution that these three employees had collectively served for more than 100 years, causing great



frustration and anger in for these employees, as well as most of La Sierra University's faculty, administration, and staff.

In what the employees thought was private conversation; there was some emotional venting about how La Sierra University was being improperly and unfairly treated by certain church leaders. Unbeknownst to these three leadership employees, the fourth person at the home gathering, also a La Sierra University Board member recorded the private conversation. The recording of that private conversation was then passed on by another board member to an executive of the North American Division of Seventh-day Adventists, who listened and then directed that a purported transcript of the private meeting be prepared before passing it on to other church leaders.

With the transcript of the private meeting in hand, executives of the Seventh-day Adventist Church met secretly and, without the requisite input from the administration and Board of Trustees of La Sierra University, decided to fire these three important University leaders. The tactic used to fire the employees was through a coerced resignation, accomplished by unexpectedly confronting the employees with the non-consensual recording of the private conversation that had occurred seven weeks earlier, misrepresenting the contents of such recording, refusing to allow the employees to listen to the recording or review the purported transcript, and then threatening to release the information contained on the tape if the employees did not immediately resign.

Despite requests by the employees, they were not given an opportunity to review the transcript that they had just learned was in existence; they were not given time to think so they could recall what was said in the meeting; and they were not given the opportunity to talk with family, colleagues, or attorneys before being forced to make this important decision. Without any warning, they were told to immediately resign for the good of the University, the Church, their colleagues and their own reputation, or the tapes would be released to the entire Board of Trustees and the employees would be terminated. The three employees signed the resignations under these coercive conditions based on the material misrepresentations of the Board Chair.

The actions taken by the executives of the Seventh-day Adventist Church organization, that subsequently went unchallenged by the La Sierra University Board of Trustees and administration, were in violation of the bylaws of La Sierra University, the Board Chairman's duty of loyalty to La Sierra University, and numerous California laws.

It is alleged that these actions were not taken in isolation, but were in fact taken by the church executives as part of a larger battle for control over La Sierra University. By using the secret recordings of private conversations to fire these three important leaders of La Sierra University, the church organization would

send a strong and intimidating message to La Sierra University administration and its employees.

The actions taken by the defendants have greatly harmed the three employees and La Sierra University. For the employees, they have not only lost their high-ranking positions, their reputation has been unfairly and irreparably damaged with their colleagues and the Seventh-day Adventist and Inland Empire communities. For the University, it has lost the services of three of its most important and beloved leaders. The church executives have weakened and marginalized the administration of La Sierra University in the eyes of the faculty and staff, hindering their ability to lead. It has also diminished La Sierra University in numerous other ways, including fundraising and recruitment of students and faculty. More importantly, this action has raised serious concerns with the Western Association of Schools and Colleges (a non-church affiliated organization responsible for accrediting institutions of higher education) that ultimately could have devastating consequences for La Sierra University.

The lawsuit seeks to remedy each of these gross violations of law for the three employees. In addition, because of the serious ongoing damage being committed to the three employees and the University, the lawsuit seeks an injunction to prevent the Board Chair from continuing to act in conflict with his duty of loyalty to La Sierra University.

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