

General Service Board of Alcoholics Anonymous, Inc.

Report to the General Service Conference

April 6, 2018

Summary

This is a timeline and disclosure of events and decision points regarding the original Printer's Copy Manuscript of *Alcoholics Anonymous* (the Manuscript), gifted by Barry L. (BL) to the General Service Office (GSO) Archives in a letter of April 10, 1979. The timeline covers the period from October 8, 2016 (the first Board-level communication regarding the gift of the Manuscript, brought to the attention of the general manager [GM] of the General Service Office and the Board chairs) to April 3, 2018 (the receipt of the final audited accounting from GSO Finance and the independent auditor).

Timeline

On October 8, 2016 a Class B trustee director of the Alcoholics Anonymous World Services, Inc. (AAWS) Board informed the general manager, AAWS Board chair and General Service Board (GSB) chair that he was aware of the existence of a gift letter from Barry L. to GSO dated April 10, 1979. The trustee explained the history of the letter making the gift as he understood it; that he believed that GSO had never obtained or held the Manuscript and that the AAWS Board had never fully and officially informed GSB of this situation, dating back to when he first learned about it in 2009.

As a result, the GM asked for and received background from the director of Archives. The Manuscript had indeed been gifted in the 1979 letter; GSO had paid for some preservation work on the physical Manuscript (in May 1979); it was returned to BL for his keeping until his death, when it would be transferred to GSO Archives. We have since become aware of a talk by BL in Montreal in July 1985, where he mentioned that the Manuscript would come to AAWS upon his death. However, following BL's death later in 1985, the Manuscript was not transferred to GSO Archives. The 1979 gift letter was filed (possibly misfiled, certainly "lost") until discovered by GSO Archives staff while reorganizing office files in September 2007, at which time it was brought to the attention of the then Archives director and general manager. By that time the Manuscript had been sold twice in public auction (most recently in July 2007).

The subject was not discussed at January 2017 GSB Weekend only because other urgent matters were on the agenda for the Board. There was no perceived time urgency attached to this topic.

In April, GSO heard directly from the current holder of the Manuscript (Holder), that he intended to exhibit the Manuscript in New York City and place the Manuscript for

auction on June 8, 2017 in Los Angeles, CA. This was public information, covered by the press, and the Holder again contacted GSO Archives by email to share press releases about the upcoming auction.

In April, the GM approached legal counsel (the firm that handles intellectual property and other legal matters for AAWS) to request a review of the currently available background and for options to assert a claim of legal title, if any. In May, shortly after the conclusion of the General Service Conference, the GM asked legal counsel for a progress report; and on May 11, 2017, the GM informed the new GSB chair that such a legal review was underway.

Counsel responded on May 12 that there was an urgent factor of time involved, which could involve the Board; that is, the Manuscript would be in New York and on exhibit for three days, May 18-20. New York law would allow a legal action on behalf of AAWS, a New York corporation, seeking recovery of a gift made in New York; to hold the Manuscript in New York and to stop or postpone the auction. The GM informed the chairs of the GSB and AAWS of the substance and timing issues related to counsel's opinions. If action were to be taken, the court papers must be filed by Friday, May 18.

After hearing from legal counsel, the General Service Board chair sent out a call for a special meeting. This was the first notice most Board members had about the Manuscript and our potential claim of ownership of same.

On May 16, 2017, the General Service Board held a special meeting via conference call. The Board engaged in a lengthy discussion of the issues surrounding the original Printer's Copy Manuscript of *Alcoholics Anonymous*, including a recap of its history, the documentation held by the office, the fact that it had been auctioned twice and printed as a book (*The Book That Started It All*, Hazelden) with no assertion of copyright ownership by AAWS. The passage of time and the previous silence of AAWS meant that legal action would be necessary to resolve the ownership of the Manuscript. The principles of Alcoholics Anonymous and the role and responsibilities of the General Service Board were discussed, both legal and spiritual, and every trustee was given the opportunity to share. AAWS also met and took a separate vote unanimously agreeing that we should attempt to recover our property in this case.

The Board unanimously decided to request a temporary restraining order (TRO). This meant, if the request was granted, that the sale of the Manuscript would not go forward in June, and the manuscript would remain in New York for the time being. The Court granted the request and a temporary restraining order on May 18.

All seated members of the General Service Conference were informed of the Board's actions in an email sent out by the GM on May 19.

Negotiations between attorneys commenced immediately and continued for the balance of May and through June. The Board agreed to delegate to a subcommittee of trustees the ability to communicate with the general manager and our counsel as to

potentially acceptable terms of settlement (all of which would have to be brought to and the Board for final approval).

Before the first scheduled court date, the parties (i.e., AAWS and the Holder of the Manuscript) by mutual agreement presented a stipulated order to the court, agreeing that the Manuscript would be stored during the pending litigation in a secure archival facility (at AAWS expense), and the sale would be paused while the parties attempted to resolve the matter on mutually agreeable terms. The court signed the order on July 7, 2017.

At the July 2017 GSB Weekend, the Board was updated on the stipulated order and a more detailed discussion was held by the Board, with counsel present via telephone. Again, legal issues and A.A. principles were brought forward; the Board decided to continue its negotiation with the Holder. An update on the status from the GSB chair was sent by email to the Conference membership on August 9.

The chair of the AAWS Board sent a further update to Conference members on September 1.

The attorneys continued at a typical lawyer's pace (given their case loads and all the clients they work for) to discuss the matters and to seek resolution. A few times, prior to November 1, the Holder's lawyer requested further time to permit him to avoid filing various pleadings which would drive up his costs; and each time, we consented.

Following the October Board meeting, counsel was notified that the Boards felt that Alcoholics Anonymous was better served by our voluntarily dismissing the action. The Holder's counsel was notified, and he took the steps he felt necessary on behalf of his client, including filing an answer with the court. Negotiations then followed to address the Holder's claim of costs and fees. The general manager sent an update to the Conference membership on November 28.

Confidential negotiations continued and were discussed at the January 2018 Board meeting. The Board agreed, as did AAWS, to pay the Holder \$135,000 to satisfy his demand for fees and costs and to enter into an agreed, joint dismissal order.

An update was sent February 20, 2018 by the GM to General Service Conference members to announce the settlement. The stipulated order of dismissal and settlement and mutual release agreement were filed in New York State Supreme Court on February 21, 2018.

The agreed upon reimbursement to the Holder of reasonable legal costs and expenses, per the settlement agreement, was paid February 27, 2018.

Legal and other costs related to Manuscript litigation were paid as they became due from June 2017 through March 2018. Total costs are set forth below.

Notes

Parallel to GSB meetings and discussions, AAWS, Inc., as the operating corporation of the General Service Board, was also kept informed and the directors' input sought and reported back to GSB through the trustee members of the corporate board. The General Service Board retained full and final authority to take any and all actions and approve any and all terms of settlement in the matter.

Both parties negotiated through their counsel in good faith throughout. We came to the settlement agreement with the good of Alcoholics Anonymous in mind. The joint settlement agreement was filed "with prejudice," meaning the action and claims are at an end for both sides.

It was necessary for the Board to respect confidentiality and attorney-client privilege throughout the ten-month period of activity in this matter. Out of respect for their interests, both parties are still bound by the terms, though the Holder understands and agrees that the General Service Board is obligated to disclose the timeline of its actions and decisions, as well as the costs involved in bringing this matter forward and finally resolving it.

To help with matters of coordination and communication, the office engaged the services of Rubenstein Communications, a public/media relations consulting firm in conformance with prudent business practices, at a cost reported below.

As set forth above, the office and the Board(s) communicated periodically with the General Service Conference and reported on the matter (under strictures of confidentiality and attorney-client privilege) to four Regional Forums during the period. Regional trustees also fielded questions and correspondence from the Fellowship during the duration of the matter. The GSO Public Information desk was assigned the responsibility to field all inquiries from media, public and Fellowship regarding the pending legal matter.

The full history of the original Printer's Copy Manuscript itself – what it is exactly, that it came into possession of Lois W. and was subsequently gifted by her to Barry L., etc. – and what the office and previous Boards did or did not know, decided or did not decide in relation to asserting right of ownership by AAWS for the GSO Archives, is not entirely known at this time, but what is known is available from various documentary sources. The purpose of this document is not to justify any claim in that regard but to outline the facts of the past ten months (May 2017-February 2018) and to answer many questions that have arisen regarding thinking and actions in that time frame.

There will no doubt be some additional questions asked by the General Service Conference; management and the Board will do their utmost to provide full disclosure in these further discussions, except when to do so might harm the Holder or others.

Financial disclosure

Total costs and expenses related to the Printer's Copy Manuscript action and settlement include the following:

1. Pre-litigation attorneys' fees:	\$ 81,000
2. Litigation fees and court costs:	\$ 204,672
3. Crozier storage and insurance fees	\$ 10,030
4. <u>Total attorneys' fees, court costs, storage and insurance:</u>	\$ 295,702
5. <u>Rubenstein Communications - retainer:</u> (Billed separately, directly to AAWS)	\$ 22,000
6. <u>Settlement reimbursement</u> to Holder:	\$ 135,000
7. <u>TOTAL OF ALL COSTS</u> in the matter:	<u>\$ 452,702</u>

Legal fees, court costs, storage and insurance of the Manuscript and a retainer for communications counsel were paid out during 2017, totaling \$287,177. In 2018, total fees and charges have been paid out in the amount of \$30,525; on February 27, 2018, the agreed settlement of \$135,000 was paid to the Holder.

Respectfully submitted,

Michele Grinberg
Board Chair
General Service Board

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