



TAMPA BAY BANKRUPTCY CENTER, P.A.

PHONE: (813) 200-4133

TOLL FREE: (800) 965-5074

November 15, 2011

Two Parties Bid for Bankrupt Crystal Cathedral

The Crystal Cathedral, made famous by its founder Rev. Robert Schuller of “Hour of Power” fame, has been the subject of a bidding war between two parties seeking to buy the gleaming glass cathedral and its sprawling grounds. At a bankruptcy hearing recently, the court heard bids from Orange County’s Chapman University and the Catholic Diocese of Orange.

At the hearing, the Catholic Diocese raised its bid for the Cathedral from \$55.4 million to \$57.5 million to cover for unspecified expenses for the Schuller family. The family is locked in a dispute with the church over intellectual property rights over books, sermons and images of Rev. Schuller used by the church. The church has an agreement with the Schullers to pay for the elderly couple’s housing, travel and insurance expenses for life.

Commenting on the increased bid by the Diocese, its lawyer said, “We felt it was important to increase the offer to address the feasibility concerns.”

On the other hand, the Chapman University in Orange also changed its bid of \$51.5 million to include an offer to the church to lease key buildings on the 40-acre grounds like the Cathedral itself, the bell tower and cemetery for \$1 a month for 15 years. If the church takes up the University’s offer, it would no longer have repurchase rights but would have more funds to pay for its expenses.

At the close of the hearing, US bankruptcy court judge Robert Kwan said it was up to the church to decide which bid it would accept, as both bids appear feasible.

Most of the church members and the church board themselves prefer the University's bid because they want the church and its cemetery to remain under Protestant control. But the family of Rev. Schuller prefers the offer from the Diocese because it would have more money available for their claims against the church.

Both parties want to buy the Cathedral and its grounds for different reasons. Chapman University wants to make an extension to its health services and possibly start a medical school on the Cathedral grounds whereas the Catholic Diocese wants to buy the 3,000 seat Cathedral for a countywide cathedral.

The Schullers lawyer suggested to the court that it set the reserve fund at \$6.5 million to cover for the family's claims on Rev. Schuller's intellectual property rights and the expenses the church has agreed to pay for the Schullers till their death. But Judge Kwan rejected the suggestion because there was insufficient evidence to indicate that the Cathedral is to compensate the Schullers for intellectual property infringement and that only \$500,000 would be enough to cover the difference the church should pay the Schullers every year under an earlier agreement. The church had recently voted to pay the Schullers \$290,000 a year for life.

The Schuller's daughter, Carol Milner who was visibly upset, said her father refrained from initiating an intellectual property lawsuit to enable the church to get back on its feet financially and had helped the church raise funds.