

WORLD SERVICE OFFICE, INC.

BALANCE SHEET

DECEMBER 31, 1989 AND 1988

ASSETS19891988CURRENT ASSETS

① CASH ON HAND AND IN CHECKING	\$ 47,542	\$ 32,857
① CASH IN SAVINGS	81,767	223,953
② ACCOUNTS RECEIVABLE - CUSTOMERS	287,361	281,519
② ACCOUNTS RECEIVABLE - OTHER (WSC-WCCNA)	67,154	27,271
EMPLOYEE EXCHANGE	1,466	695
④ INVENTORY	395,911	241,156
PREPAID EXPENSES	12,167	9,950
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TOTAL CURRENT ASSETS	893,368	817,406
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FIXED ASSETS, AT COST

⑤ OFFICE EQUIPMENT (INCLUDES TYPESETTING, DUPLICATING AND COMPUTER EQUIPMENT)	410,987	326,387
FURNITURE AND EQUIPMENT	179,512	169,396
⑥ LEASEHOLD IMPROVEMENTS	77,853	35,036
LESS: ACCUMULATED DEPRECIATION	(351,424)	(252,476)
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NET BOOK VALUE OF ASSETS	316,928	278,343
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OTHER ASSETS

DEPOSITS - RENT	17,221	13,325
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TOTAL ASSETS	\$ 1,227,517	\$ 1,109,074
	=====	=====

LIABILITIES AND FUND BALANCECURRENT LIABILITIES

⑦ ACCOUNTS PAYABLE	\$ 70,943	147,913
SALES TAX PAYABLE	896	1,505
⑧ CREDIT LINE PAYABLE	50,050	---
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TOTAL CURRENT LIABILITIES	121,889	149,423

FUND BALANCE

	1,105,628	959,651
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TOTAL LIABILITIES AND FUND BALANCE	\$ 1,227,517	\$ 1,109,074
	=====	=====

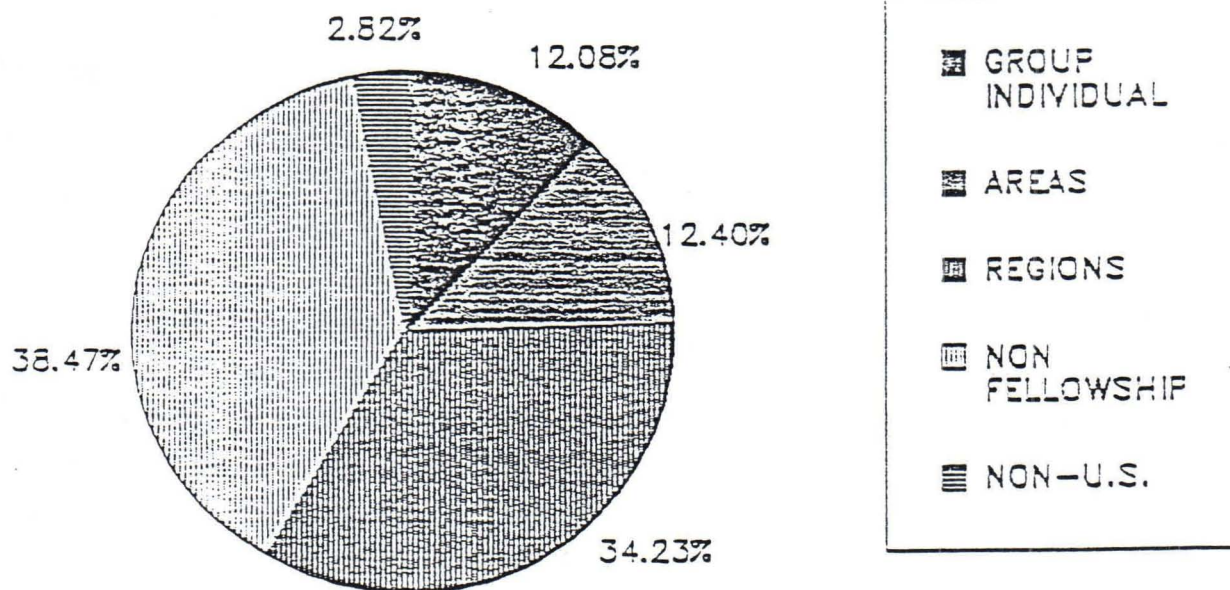
SEE NOTES TO FINANCIAL STATEMENTS

CHART FOUR - LITERATURE SALES

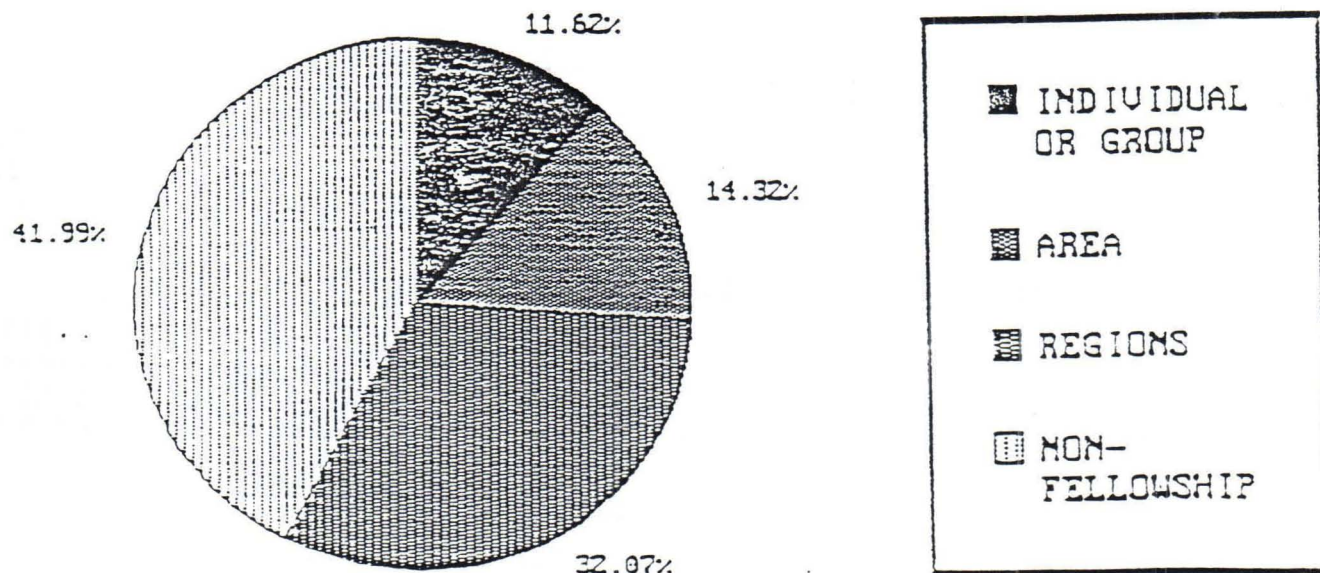
This chart was gathered from figures reflected in the Shipping Log. These figures are not the same ones used in the accounting function and are not precise. They are a general representation of literature sales from among all customers. The figures from which this chart is derived are the totals shown in Tables One and Two.

For the fourth straight year, the percentage of literature sold to non-fellowship buyers decreased. The percentages are: 1986--48.01%, 1987--45.47%, 1988--41.99%, 1989--38.47%

WSO LITERATURE SALES CHART 1989



WSO LITERATURE SALES CHART 1988



I wish to file a complaint against the company named below. I understand that the Attorney General does not represent private citizens seeking the return of their money or other personal remedies. I am, however, filing this complaint to notify your office of the activities of this company so that it may be determined if law enforcement or legal action is warranted.

PLEASE TYPE OR PRINT LEGIBLY

1. Party Complaining			2. Complaint Against		
Name			Name World Service Office NA Inc.		
Address			Address 16155 Wyandotte St.		
City	State	ZIP	City Van Nuys	State CA	ZIP 91406
Home Phone	Work Phone		Home Phone	Work Phone (818) 780-3951	
If product or service advertised (attach copy of ad if possible):			NAME OF PRODUCT OR SERVICE INVOLVED:		
When _____ (date)			Narcotic Anonymous Literature & Merchandise		
Where _____			DATE OF TRANSACTION: 1982-to Present		
Was a contract signed? Yes <input type="checkbox"/> No <input type="checkbox"/>			Have you contacted an attorney? Yes <input type="checkbox"/> No <input type="checkbox"/>		
Have you contacted another agency for assistance? Yes <input type="checkbox"/> No <input type="checkbox"/>			If so, list the attorney's name, address, and phone number:		
What agency? _____			_____		

I will sign a sworn statement regarding these charges if needed: Yes ☒ No ☐ Attach two copies of contract in addition to copies in duplicate of other pertinent papers. (PLEASE DO NOT SEND ORIGINALS; DOCUMENTS CANNOT BE RETURNED.)

This complaint may be sent to the company complained about: Yes ☒ No ☐

Briefly describe events in the order in which they happened. Indicate dollar amount in dispute. If additional space is required, attach pages in DUPLICATE.

WSO is a charitable trust. I and others believe that there has been waste, abuse, and fraud perpetuated by this fiduciary. As a beneficiary of this trust I request your office to investigate the activities of the WSO with regards to the accuracy of financial reports and data of WSO and its subsidiary corporations. Their compliance with their Bylaws, Federal and State laws governing operations of 501C3 corporations seem to be in question and there are apparent discrepancies in the data obtained by us. An example of which is that in this years filing with your office there appears to be some \$700,000 + dollars unaccounted for.

Signed _____ Dated _____



TO: World Service Office Board of Directors

FROM: WSC H&I *Reaching Out* Subscription Ad Hoc Committee

RE: Subscription Plan for *Reaching Out* Newsletter

During the 1990 conference year, a questionnaire was sent to the fellowship seeking their input concerning the feasibility of a subscription plan for the WSC H&I newsletter, *Reaching Out*.

The Ad Hoc Committee felt the input received did not accurately reflect the general feeling or consensus of the fellowship.

We received 68 responses out of 477 questionnaires sent out. 97% of the respondents to the questionnaire responded they need more than their current allotment, while 54.4% of the respondents said they would be willing to subscribe, ordering anywhere from 1 1/2 subscriptions to 4 subscriptions. Additionally, during this period, the office has received numerous requests for larger allotments of the newsletter from various regional and area H&I committees, many stating they would be willing to pay for a subscription(s). The office has also received numerous questions from H&I committees asking how they can order *Reaching Out*.

The *Reaching Out* Subscription Ad Hoc Committee met twice during the quarterly meeting held in Van Nuys, California. The final product of the meetings is as follows. After much discussion, the committee decided on the following plan. With the blessing of the WSO Board of Directors and assistance from the WSO, beginning in July of 1991, copies of the *Reaching Out* will be made available by subscription. This will in no way affect the current status of the *Reaching Out*. WSC H&I will continue to print 9,000 to 10,000 copies for distribution. At this time (July) the WSC H&I Committee would be asking the WSO to print an additional 1,000 copies of the *Reaching Out* for subscription. The copies we are asking the office to print, are for subscription only, and will be made available to anyone who wants to subscribe.

WSC H&I, beginning with the last issue of the *Fellowship Report*, has begun to inform the fellowship of the possibility of *Reaching Out* being available for subscription in July and will continue to do so in future periodicals.

The committee also has plans for a mass mailing, shortly after WSC 91, to advise State, Federal, County and City corrections and jails of the subscription offer.

If the subscription plan is adopted, the current practice and subscription plan would be evaluated sometime in 1992. WSC H&I feels the top priority for distribution of *Reaching Out* should remain those addicts in an institutional setting and they receive

the newsletter free of charge. The recommended number of newsletters and pricing for the plan are as follows, \$0.35 per copy, in bundles of 20, for an annual subscription fee of \$28.00. It is the committee's hope that after a period of time, WSC H&I can cut back on it's production of newsletters and use the resources saved in another area of H&I service.

Please find a copy of the report from the work group that was sent out shortly after the quarterly meeting held in St. Louis. It should provide additional background information. Thank you for the opportunity to serve and allowing WSC H&I to address our concerns and share our plan with you.

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REPORT FROM THE WORK GROUP ON A SUBSCRIPTION PLAN FOR REACHING OUT

This work group was created in response to a report presented by the WSO H&I Coordinator at the St. Louis workshop regarding current production levels for *Reaching Out*, and the continuing requests for additional copies. In his report, the coordinator stated that while the current WSC budgeted level was approximately 9,000 copies per issue, the WSO was printing in excess of that amount and had in fact sent out 9,103 of Volume 4-2 (October, 1989) and was receiving more requests on a steady basis. As of our conference call, there were in excess of 10,000 copies being mailed out of the April issue. Additionally, there had been some recent inquiries about obtaining the newsletter on a subscription basis. The work group assigned to this issue set about to answer the questions raised in the coordinator's report to the WSC H&I Committee and is prepared to make some recommendations to the full committee regarding *Reaching Out*.

The first question we had to answer was: "Is there a real need for a subscription plan for *Reaching Out*?" We feel that a need is clearly established by the growing popularity of the newsletter, as evidenced by the growing number of requests received by the office from both, members in institutions and H&I subcommittees. We are also aware of various state correctional departments and facilities that have indicated an interest in subscribing to *Reaching Out*. Apparently there is a widely held perception that the newsletter helps to carry the N.A. message of recovery to addicts in an institutional setting, and that committees are finding the H&I committee section to be helpful in their efforts. Additionally we have been made aware that approximately 33.6% of the '90 - '91 WSC H&I budget is for the production of *Reaching Out*. We feel that by entering into a subscription system for the newsletter, some funds could be freed up in the future to help the WSC H&I Committee to attend and participate, and perhaps host some additional regional and multi-regional H&I learning days and workshops.

Next, we looked at who should we target the subscription drive towards? The work group feels that the top priority for the distribution of *Reaching Out* should remain those addicts in an institutional setting, and that they should continue to receive the newsletter free of charge. However, we propose that area and regional H&I subcommittees and state and federal correctional facilities should receive *Reaching Out* by subscription. We further recommend that the newsletter be sold for \$0.35 per copy, in bundles of 20, for an annual subscription fee of \$28.00 per year for 80 copies. We felt that at this rate, the upcoming postal rate increase would be factored in, and the cost of the individual copies being mailed could be absorbed. In presenting such a recommendation to the WSC H&I Committee, we realized that it was necessary for us to present a possible plan for obtaining input from the fellowship as well as a plan for the implementation of such a proposal.

We therefore propose, if the committee approves the plan in principle, that first, the WSO Board be approached about the possibility of implementing such a plan, and second, a questionnaire be inserted into the July *Reaching Out* mailing to area and regional H&I committees, asking their opinion about the newsletter and where it is being distributed, and whether or not they would be willing to subscribe to *Reaching Out*. The deadline for input would be sometime in September, allowing the input received to be tallied and presented to the full committee, along with the WSO Board's input, by the October quarterly meeting. If the Committee at that point decides to go ahead with the plan, a motion could be worked on (if necessary) to present the proposal for Conference approval. (At this time we are not certain whether this plan would need to be approved or sanctioned by the Conference.) If conference approval is not needed, a transition plan would be prepared so that by the summer '91 issue, all area and regional H&I subcommittees would be receiving the newsletter on a subscription basis. Additionally, a mass mailing would be made to all state and federal correctional facilities, inviting them to order *Reaching Out* for their inmates on a subscription basis. If conference approval would be needed, the same plan could be in effect except that instead of the transition being completed by the summer '91 issue, it would be completed by the fall or winter issue. The time-line presented could of course be adjusted as needed.

We thank you for the opportunity to serve the committee.

This charitable trust, including both its trustee (WSO, Inc.) and its beneficiaries (the members of the N.A. Fellowship), is subject to the jurisdiction of the Superior Court of the State of California.⁸ The trust obligations of the WSO have been set forth at the World Service Conference that was held in Santa Monica in May 1982.

BASIC TEXT--FIRST THROUGH FIFTH EDITIONS

Approval form. In November 1981, the approval form of Chapters One through Ten of the Basic Text were released to the fellowship. In February 1982, the approval form of forty-seven personal stories intended for publication in the Basic Text were released to the fellowship. At the May 1982 meeting of N.A.'s World Service Conference, the entire Basic Text was approved.^{9,10}

First Edition. Having no experience in publishing a full-length book, publication of the First Edition was a very difficult job for the World Service Office. In addition to major problems with the printer initially chosen to publish the book, conceptual problems arose. In the course of preparing the approval-form book for publication, it was noted that portions of the essays on Traditions Four and Nine made it appear that the N.A. service structure should not be considered a part of Narcotics Anonymous. The following are the two paragraphs in question; note especially the italicized text.

From the essay on Tradition Four: "Are we truly autonomous? What about our service committees, our offices, activities, hot-lines, and all the other things that go on in N.A.? *The answer is that these things are not N.A.* They are services we utilize to help us in our recovery and to further the primary purpose of our groups. Narcotics Anonymous is a Fellowship of men and women, addicts meeting in groups and using a given set of spiritual principles to find freedom from addiction and a new way to live. *All else is not N.A.* Those things we mentioned are the result of members caring enough to reach out and offer their help and experience so that our road might be easier. *Whether we choose to utilize these services is up to the group.*"

From the essay on Tradition Nine: "The Ninth Tradition goes on to define the nature of the things that we can do to help N.A. It says that we may create service boards or committees to serve the needs of the Fellowship. *None of them has the power to rule, censor, decide, or dictate.* They exist solely to serve the Fellowship, *but they are not a part of Narcotics Anonymous.* This is the nature of our service structure as it has evolved and been defined in the N.A. service manual."

After much discussion, the WSO Board of Directors and the World Service Board of Trustees agreed that the portions appearing above in italics should be

removed from the book before publication of the First Edition. In response, the chairperson of the WSC Literature Committee attempted to revoke the earlier release of rights to the Basic Text. However, when the World Service Conference met in May 1983, no motion was made to uphold the literature chairperson's action. On the contrary, new WSO by-laws were accepted, clearly stating that N.A. literature should be held in a charitable trust by the corporation. The WSO-copyrighted First Edition was officially released on April 27, 1983 by the World Service Office, using the fictitious business name of C.A.R.E.N.A. Publishing Company.

Second Edition. Conference minutes of 1983 reflect that an amended motion was passed, directing "that our book be completely returned to its [original] approved form in subsequent printings"^{11,12} The Second Edition of the Basic Text was released on September 28, 1983, with the missing lines reinserted. The copyright holder was again listed as C.A.R.E.N.A. Publishing Co., a fictitious business name of World Service Office, Inc.

Third Edition. At the same time as it directed WSO to reinsert the missing lines, the WSC decided that the issue should ultimately be settled directly by the membership of Narcotics Anonymous. In 1983, regional service representatives were asked to poll their groups on the following question: Should the wording of the essays on the Fourth and Ninth Traditions be as reflected in both the original approval form and the Second Edition, or as reflected in the First Edition? Their responses were to be mailed to the conference chairperson within sixty days of the end of the conference, and prior to the printing of any more books by the World Service Office. A change from the language of the Second Edition was to require a two-thirds vote. The results were to be published in the *Newsline*.¹³

The question was submitted to the fellowship in a seven-page document which included the proposed changes, plus the reasons both for making the change and for keeping the text as approved. The response was thirty-six votes in favor of changing the text, and eight against changing the text. Therefore, at the next printing--the Third Edition--the words originally deleted in the First Edition were again deleted, this time in response to a direct vote of the fellowship. The Third Edition was formally released on October 20, 1984.

Editing ordered which ultimately resulted in Fourth Edition. On May 3, 1985, the WSC approved a motion "that the WSO be instructed to have the Basic Text professionally edited to ensure consistent and correct use of capitalization,

verb tenses, gender, singular/plural endings, and other grammatical errors and that the edited text be returned to the Literature Review Committee [at the time, a division of the WSC Literature Committee] for acceptance and approval prior to printing and distribution."¹⁴

One RSR suggested that, once the edit was completed, the text should be sent out for a fellowshipwide review prior to publication. The conference engaged in heated discussion of this suggestion. However, because the required editing would affect only matters of grammar, not conceptual issues, the discussion ended with the WSC strongly in favor of allowing publication of the edited text after review only by the Literature Review Committee.¹⁵

Work on the editing project was begun late in 1985, but was not completed before the 1986 annual meeting of the World Service Conference.

Third Edition, Revised. At the 1986 WSC meeting, a substantially revised version of N.A.'s Little White Booklet, developed by the World Service Board of Trustees, was approved by the conference.¹⁶ The motion to approve the revised White Booklet stated specifically that the Basic Text should also be revised to reflect the changes in the White Booklet. The revised text, known as the Third Edition, Revised, was released in November 1986.

Fourth Edition. While the Third Edition, Revised, was being put into production, the edit mandated by the WSC in 1985 continued. The editor, working from a typescript of the Third Edition, completed his work in mid-1986. On July 30, 1986, the WSC Literature Committee chairperson mailed the edited version to members of the Literature Review Committee. The edit was approved by the Literature Review Committee at its October 1986 meeting in Charlotte, North Carolina.

The original 1985 motion which mandated the editing of the Basic Text required only that the Literature Review Committee approve the edit prior to publication of the Fourth Edition. The conference had not asked the WSC Literature Committee to return the edited book to the World Service Conference, nor had the WSC directed the committee to send the edited text out for fellowshipwide review prior to publication.

However, in the November 1986 *Fellowship Report*, the committee chairperson wrote, "During the course of their review, the Literature Review Committee came across six sentences which are... inconsistent with the *Newly Revised White Book*," approved by the WSC in April 1986. Those six sentences were not found in the portions of the Basic Text drawn directly from the White Booklet. However, they conflicted with the conceptual spirit behind the changes that had been made in the booklet.

Literature Review Committee minutes relate that the committee "was in favor of making these additional changes, however, the Literature Review Committee decided to request a broader group conscience by referring the matter to the World Service Office Board of Directors and the Board of Trustees. The Literature Review Committee had decided that if the Board of Directors and the Board of Trustees were also unanimously in agreement, the Fourth Edition would then be printed."

Following discussions with the directors and trustees, a decision was made to defer publication of the Fourth Edition until the World Service Conference could consider the additional changes necessary to bring the text in line with the revised White Booklet. On April 28, 1987, in his report at the World Service Conference annual meeting, the WSC Literature Committee chairperson stated that, "pending Conference action on the white book consistency motion... the World Service Office will be able to proceed with the printing of the Fourth Edition."¹⁷ On April 29, the World Service Conference voted to make the five suggested changes in Book One of the Basic Text, but did not approve the sixth change, which would have altered one of the personal stories in Book Two.¹⁸

The edited Basic Text, incorporating the 1986 revision of the Little White Booklet and the five changes authorized in 1987 by the World Service Conference, was published as the Fourth Edition on October 27, 1987, two and a half years after the original motion to edit the Basic Text was passed by the World Service Conference.

Fifth Edition. The edited Fourth Edition text differed significantly from both the Third Edition and the Third Edition, Revised. This was due partly to the editing (which was intentional), and partly to a series of WSO production errors (which were unintentional). When the typescript of the Third Edition, from which the Fourth Edition editor worked, was created, the transcriptionist skipped a number

of lines of text at a time, in twenty-five separate locations throughout the book. At no time prior to publication of the Fourth Edition was the editor's typescript proofread against the published Third Edition text; hence, the original transcription errors went unchecked.

Early in the winter of 1988, the World Service Office and the WSC Literature Committee began hearing complaints about the differences between the Third Edition, Revised, and the Fourth Edition. Early in April 1988, the entire WSO staff was diverted from its routine work to conduct three separate rounds of line-by-line comparisons between the Third Edition, the Fourth Edition editor's typescript, and the published Fourth Edition. The findings of the WSO staff were reported in full to the World Service Conference. Following a meeting of the conference as a committee of the whole to discuss a variety of possible remedies, the WSC approved a motion to reinsert the missing lines from the Third Edition back into the Basic Text. In the meantime, "the Fourth Edition, with current errors, [was to] continue to be sold as Conference-approved literature until such time as the corrected Fifth Edition [was] ready." The conference passed an amendment to the motion which specified that the resulting Fifth Edition could not be revised any further for five years.¹⁹

In the course of considering the motion which created the Fifth Edition, an amendment was proposed which would have specified that "this motion would be acted upon following a special ballot sent to RSCs.... The RSCs would be requested to reply in 30-60 days.... *Intent:* To collect a Fellowship-wide group conscience and unify this Fellowship [behind the] WSC decision." So great was the desire to put the Fourth Edition controversy in the past, the conference voted not to even consider this amendment.²⁰

Immediately following the passage of the motion creating the Fifth Edition, the conference considered--and defeated--two additional motions. Both were very similar in language, the major difference being that the second stated its intent. The motions sought to direct the World Service Office to publish the Third Edition, Revised, rather than the corrected Fourth Edition (or, as it was known, the Fifth Edition).

The second motion read: "That the World Service Conference direct the World Service Office to immediately cease the publication and sale of the fourth edition of our Basic Text, Narcotics Anonymous, and immediately begin publication and sale of the third edition revised of our Basic Text, Narcotics

Anonymous. *Intent:* To prevent the sale of unapproved literature by the WSO. The editing of our Basic Text and subsequent approval by the LRC so far exceeded any reasonable interpretation of the authority granted by the motion to edit the Basic Text as to require that the fourth edition be treated as new literature, and as such, be subject to the standard review and approval process." Both motions were defeated by overwhelming majorities.²¹

SUMMARY: THE BASIC TEXT CHARITABLE TRUST

In 1982, trust rights to the Basic Text were given unconditionally to World Service Office, Inc., to be held by the corporation in a charitable trust on behalf of the N.A. Fellowship, subject to the direction of the World Service Conference. Though a challenge to that trust was raised by the WSC Literature Committee chairperson early in 1983, that challenge was not placed on the agenda of the 1983 meeting of the World Service Conference, and fell moot. Successive editions have been created as the direct result of action taken by the World Service Conference to revise the original version. Those editions have also been copyrighted by the World Service Office corporation, and the Basic Text continues to be held in a charitable trust by the corporation on behalf of the members of the N.A. Fellowship.

CAN N.A. MEMBERS OR GROUPS REPRINT N.A. LITERATURE?

The most commonly asked question is whether members or groups of members of the fellowship at large have the right to translate, edit, and reprint the Basic Text or other N.A. literature on their own. The answer is "no." First of all, N.A. literature--including the Basic Text--is the copyrighted property of World Service Office, Inc. Under United States copyright law, only the World Service Office has the right to reproduce, translate, or prepare new versions of N.A. literature.²² Because of the international copyright protection afforded by the Berne Copyright Convention, the World Service Office has the same rights in eighty other countries around the world.²³

The World Service Office corporation holds these copyrights in trust on behalf of the N.A. Fellowship, subject to the direction of the World Service Conference. To date, the World Service Conference has not directed the World Service Office to grant permission either to individual members or groups of members of the fellowship at large who request to reproduce the text.²⁴ In fact, the most recent