

The caption read, Plaintiff PAUL GUZZARDO vs. Defendants HUMANITIES INSTRUCTIONAL TELEVISION EDUCATIONAL CENTER, REV. DICKSON BEALL, JACK ROSS, JOAN FALK & WILLIAM BAKER. The lawsuit ran along side the Media Lab run. Guzzardo v. all of them shadowed the lab and its protocol. The suit involved a battle of the bands: wireless spectrum, acquisition and use. The litigation showcased high wire hypocrites and hollowed out digital divide pieties. At issue was a swatch of wireless spectrum, a band of twenty wireless broadband data channels. The spectrum offered a maybe chance to assemble and fund a space of appearance. But there were serious code problems. Spectrum isn't "soy." Networks work don't work that way. Can't slice into cubes, bestow, smile, and be done with it. It's different. Be wary of wireless Sermon of the Mount zealots. They're ecologically off sync. Technology is an ecology, a media one. Miss that and you might end up in a sinkhole rather than a space of appearance.

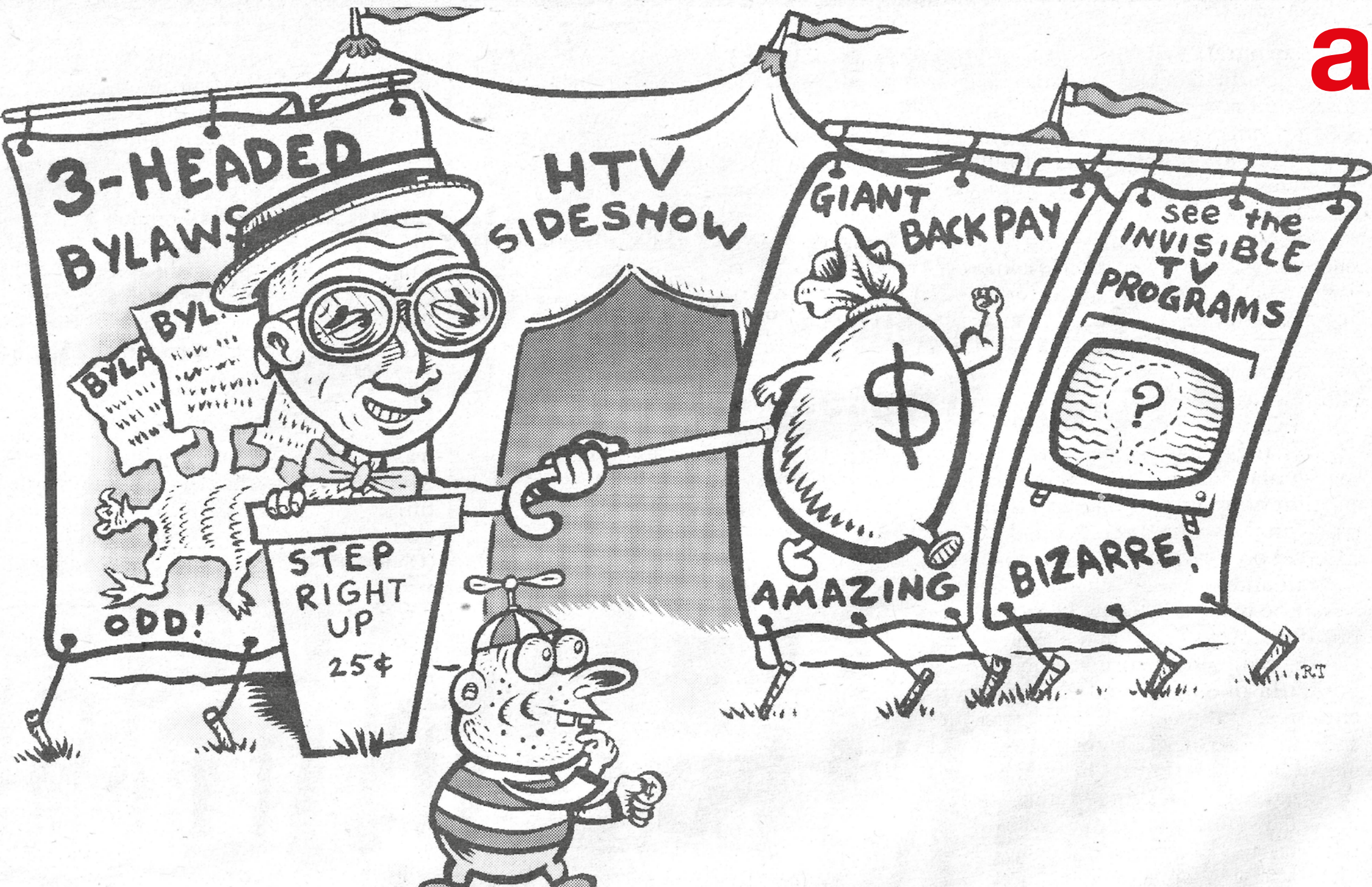
"A Minister to His Needs" ran nearly 7000 words. It's about zeal gone sour. It was old world shout-page investigate journalism at its best. "A Minister to His Needs" has a janus-faced Jesus minister, a girl friend on the employ, multiple ever morphing legal documents, a hungry international telecom, and a one hundred and seventy five million dollar pot of fools gold. "Minister" is a comedia buffa, a digerati tale as farce. This Tartuffe meets the FCC offers a timeless probe into feral code. The investigative reporter-writer was Eddie Silva, the same Riverfront Times reporter who bemoaned Clarence and Janet's People Project. Silva's text, some Hannah Arendt on "a prince of a fellow," and a crackerjack wireless spectrum map follows.

# parable a pigish justice



# 25

# *hannah arednt* on good works and a prince of a fellow



Goodness, therefore, as a consistent way of life, is not only impossible within the confines of the public realm, it is even destructive of it.

Nobody perhaps has been more sharply aware of this ruinous quality of doing good than Machiavelli, who, in a famous passage, dared to teach men “how not to be good.”

Needless to add, he did not say and did not mean that men must be taught how to be bad; the criminal act, though for other reasons, must also flee being seen and heard by others. Machiavelli’s criterion for political action was glory, the same as in classical antiquity, and badness can no more shine in glory than goodness. Therefore all methods by which “one may indeed gain power, but not glory” are bad. Badness that comes out of hiding is impudent and directly destroys the common world; goodness that comes out of hiding and assumes a public role is no longer good, but corrupt in its own terms and will carry its own corruption wherever it goes.

The unpolitical, non-public character of the Christian community was early defined in the demand that it should form a corpus, a “body,” whose members were to be related to each other like brothers of the same family. The structure of communal life was modeled on the relationships between the members of a family

because these were known to be non-political and even anti-political. A public realm had never come into being between the members of a family, and it was therefore not likely to develop from Christian community life if this life was ruled by the principle of charity and nothing else.

Christian hostility toward the public realm, the tendency at least of early Christians to lead a life as far removed from the public realm as possible, can also be understood as a self-evident consequence of devotion to good works independent of all beliefs and expectations. For it is manifest that the moment a good work becomes known and public, it loses its specific character of goodness, of being done for nothing but goodness’ sake. When goodness appears openly, it is no longer goodness, though it may still be useful as organized charity or an act of solidarity.

This surprising illustration of the Christian political principle is in fact very well chosen, because the bond of charity between people, while it is incapable of founding a public realm of its own, is quite adequate to the main Christian principle of worldlessness and is admirably fit to carry a group of essentially worldless people through the world, a group of saints or a group of criminals, provided only it is understood that the world itself is doomed and that every activity in it is undertaken with the proviso *quamdiu mundus durat* (“as long as the world lasts”).

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MINISTER TO HIS NEEDS  
Eddie Silva

The Rev. Dickson Beall became a local champion of the First Amendment after he opened the St. Marcus Church basement to progressive theater groups in the 1990s. Few people knew what Beall was up to offstage. By Eddie Silva  
It's so easy to think of sex as sin," the Rev. Dickson Beall informed the Riverfront Times back in the fall of 1999. "That isn't sin. Sin is rebelliousness, pride and self-interest." Beall was responding to yet another controversy at the St. Marcus Theatre, the performance space he founded in 1990 in the basement of St. Marcus Church, where he served as minister for 13 years. The theater was known for taking on subjects that raised local passions -- sexuality, religion, politics (the usual topics to be avoided in polite society) -- with occasional nudity and graphic language that elicited knee-jerk conservative attacks. Beall persevered through these furors, often portrayed in the press (especially in this paper) as a champion of the First Amendment and a friend to the disenfranchised.

In the summer of 1999, however, Beall was called before the United Church of Christ Church and Ministry Committee to discuss some of the recent goings-on in the basement. The UCC can in no way be regarded as a fundamentalist organization, but the governing body for the St. Marcus Church, concerned with the relationship between the theater and the congregation, asked who was screening the scripts.

Beall certainly wasn't. With Terrence McNally's Corpus Christi slated for Christmas at the theater, Beall first heard a synopsis of the plot during an interview with the RFT. When he was told that the play is the story of a gay Christ figure and his 12 gay disciples, Beall responded, "Who cares?"

His congregation did. Corpus Christi was the last production at the St. Marcus Theatre. In February 2000, the congregation voted to close the church basement to the groups that had been performing there for 10 years, including such popular companies as Joan Lipkin and That Uppity Theatre Company, New Line Theatre and the AC/DC Series, which featured gay and lesbian performance artists.

In addition, the late Al Ura, longtime church president, called for Beall's resignation. Ura told the RFT that the issue was more about Beall's commitment to the congregation than the programming of the theater. "He didn't have no time for the church," Ura explained. "I asked him to come down to the church two or three days a week, and he said, 'I can do more work at my apartment.' So that was it." Attendance at Sunday service had decreased during Beall's tenure, according to Ura: "We only have 16 or 18 people on a Sunday morning. We used to have 180 people in the congregation; now we're down to about 26. [The theater] hasn't done us any good."

Beall subsequently resigned. Although he remained in town, he disappeared from the public eye, his reputation as a progressive liberal minister diminished by the schism that had opened between him and the South City congregation he had been called to serve. Beall didn't fade into obscurity, however. He had prospects.

Few people were aware that Beall was also pursuing a business venture during his tenure as St. Marcus' pastor. Beall is co-founder and president of HTV -- originally known as Humanities Instructional Television Educational Center (HITEC) when it incorporated as a

nonprofit organization in Missouri in 1986.

If those call letters don't sound familiar, it's not because you're a TV illiterate. HTV can't be found during a late-night channel surf. Beall's company is an ITFS, which stands for Instructional Television Fixed Services. In the cryptic lingo of the FCC and invisible airwaves, HTV maintains "four 6 frequency ITFS B channels." HTV delivers -- or, more accurately, is supposed to be delivering -- educational programs to local schools (in this case, the Discovery and Learning channels) free of charge over its bandwidth. In HTV's own literature, 12 receiver sites are named, including such private institutions as Eden Theological Seminary and John Burroughs School and public schools in the city, such as Blow and Williams middle schools.

HTV's low visibility is about to change: A lawsuit brought against HTV has made Beall and his unambitious enterprise appear more scandalous than anything that appeared on the St. Marcus stage. Paul Guzzardo, who was recruited to the HTV board in 1999, has brought suit in St. Louis County Circuit Court against his fellow board members, alleging that they have been profiting from a nonprofit corporation. With the lawsuit, Guzzardo hopes to force out Beall and his associates and replace them with a more responsible group of board members. In this way, HTV's valuable assets and its potential for education would not be lost to the public. His suit states, in part, that Beall and the board have been "engaged in a pattern of breaching their fiduciary duty" and have been involved in "a pattern of fraudulent and dishonest conduct."

Guzzardo may be best known as the owner of the short-lived club Cabool, but he also founded MediaARTS, a nonprofit group formed to develop awareness of the implications of the current technological revolution and to provide artists with a place to join in that revolution. He's St. Louis' most knowledgeable technological gadfly. If Guzzardo at times is given to hyperbole, that's partly because he's an insistent voice living in a city bent on denying the cultural changes taking place at hyperlink speed. So even his attorney, Ira Berkowitz, at first considered Guzzardo's charges outlandish. HTV has no staff and has rarely consisted of more than a four-member board. When he first looked at his client's complaint, Berkowitz admits, "I was still scratching my head a little bit, saying, 'What's here? What are we doing?'"

But after nearly nine months of investigating HTV's 15-year history, Berkowitz says, "Now I'm scratching my head and I can't believe what these people have done."

What have they done? In terms of doing what they're supposed to be doing -- using their public asset to benefit schools with educational programs -- next to nothing. The RFT called those 12 "receiver sites" and found only one, Sigel Elementary School, that could confirm any relationship with HTV. Even that sign of charity turned out to be meager: The school has grown, so the TV room is now used for other purposes.

The Discovery and Learning channels aren't exactly novel offerings, either. City schools already have cable, so even if HTV did deliver those channels, the schools already get them, thank you very much. In terms of HTV's charitable function, it's hard to understand what educational mission was being fulfilled by "offering" a couple of cable channels to the affluent John Burroughs.

One thing the HTV board had managed to do was figure out a way to make money from that public asset and distribute it among themselves in a variety of ways. It's not that a nonprofit can't make money. In the 1980s, the FCC allowed nonprofit license holders to lease a portion of their bandwidth to for-profit corporations, with the intention of generating revenues to better achieve the educational purpose of the public trust. Over the years,

HTV has leased to Specchio, a cable company, and to PCTV (People's Choice Television) and is currently leasing to Sprint, which acquired PCTV in 1999 for some \$140 million. How much did HTV make from Specchio, and what did it do with the money? It's hard to estimate, because HTV has no financial records before 1992 and the records for 1993 and half of 1994 are missing. From the accounts that are available, Berkowitz has come up with a minimum figure of \$13,250. What did HTV do with that money? How did it use those resources to fulfill its educational mission?

Beall pocketed the money. The minister explained, during his pretrial deposition, that he was merely covering his own HTV-related expenses -- although no record of those expenses exists in the company's files, either.

The records that do exist show money was coming into the HTV coffers throughout the 1990s, with the four-member HTV board spending it on themselves for dinners, trips and toys.

The cast of characters that was the HTV board through these years included Beall, president of the organization, and a variety of his pals: Jack Ross, HTV's co-founder and a longtime St. Louis attorney; Joan Falk, a close friend of Beall's; and retired minister William Baker, who at 80 is the nonprofit's senior member. Because the company had no office space, the board would often meet at Beall's Clayton high-rise apartment and then continue their discussions over dinner. Very nice dinners -- Café Napoli (\$185), Dominic's (\$222), Frank Papa's (\$196), Remy's Kitchen & Wine Bar (\$190), Dominic's (\$185), Remy's again (\$136), Zinnia (\$200), Cardwell's (\$231.52), Dominic's (\$194), the Ritz (\$446.27), Café Mira (\$246.11), Harvest (\$280.25), Café de France (\$377.25), Crazy Fish and Grenache (\$435.65) -- all enjoyed at HTV's expense.

Beall's explanation for these lavish nights on the town? "We couldn't attempt to get all of the business done in the time allotted, and people were hungry and we would go to dinner to finish our business," Beall said during his deposition.

When the HTV board found the St. Louis atmosphere inconducive to productive brainstorming, they went on retreats to Naples, Fla., in 1996 and 1999. In her deposition, Falk testified that this was done for convenience: Because Ross owned a condominium there, she said, "we could have a place to meet that wouldn't cost us anything." The board did manage to incur some expenses for those nonprofit getaways, with plane fare and walking-around money for the foursome coming to \$6,328.46. Even Ross, who was living in Naples at the time, had his travel paid for by HTV.

The company also bought themselves some hands-on experience with the new technologies: A Palm Pilot for each board member (\$2,212), an iMac for Ross (\$1,694.01) and a laptop (\$2,508.95) and a special state-of-the-art desktop computer for Beall (\$6,137.02). In 1997 and 1998, the HTV board also paid themselves directors' fees at the end of each year, distributing among themselves \$30,000, with the highest percentage going to Beall. "In a short number of years," Berkowitz estimates, the HTV board "spent about \$70,000 on themselves."

Beall fared better than the others in these transactions, being president and co-founder and all. In light of his company's activities, perhaps the expense Beall incurred that contains within it the most irony is the \$3,300 spent on the series of nonprofit-management courses he took at Washington University.

Despite Beall's apparent failings as a manager or a minister, he's been a shrewd investor. When Sprint swallowed up PCTV in 1999, he held PCTV stock, which netted him some \$70,000.

Beall and his associates saw even greater booty to plunder with Sprint as their new lessee, especially with that precious bandwidth becoming more valuable than California beach-front property. In a 1999 HTV business plan, Beall estimated those "Four 6 frequency ITFS B channels" to be worth \$175 million (an eye-popping number, to be sure, but not out of line with what has been paid for that bandwidth real estate at auction in Europe and the United States). Beall also figured that the tireless HTV board deserved back-salary compensation for all those years in the nonprofit wilderness: \$1,240,000.

He also figured he and Ross deserved \$150,000 each, just for being there for 15 years. What work has the HTV board members performed that entitles them to such generous compensation? Nothing to speak of: HTV's educational mission remains an abstract concept, with the company delivering no educational programming to any school anywhere at this time -- not even the Learning Channel.

Meanwhile, in the midst of a lawsuit, Beall has moved to be near the snowy shores of Bar Harbor, Maine. Repeated calls to his number there have gone unanswered. Beall was right: "Sin is rebelliousness, pride and self-interest."

Beall had a history in television long before he founded HTV. When he lived in New York City in the 1960s, Beall worked as a production assistant for the landmark children's program Captain Kangaroo and as "sequence director-actor" (as described in a personal résumé from the mid-'80s) for Candid Camera. He also attained some "I-knew-him-when status," performing off-Broadway with an unknown actor named Dustin Hoffman.

By 1968, Beall had moved to St. Louis and was again involved in television, working behind the camera as a director of commercials and in front of it as a drama critic for KDNL-TV (Channel 30). Ten years later, he evidently experienced a significant life change, and he was ordained as a United Church of Christ minister in 1978. His résumé of media experience shifts to less secular entertainment after this, with mention of his hosting "six television programs on the subjects of peace and justice" included on his vita.

Beall and Jack Ross became acquainted sometime in the late 1970s, when Ross was president of the board of the Educational Center, a nonprofit corporation offering curricula in religion and psychology to churches, analysts, psychologists, pastors and counselors. Beall was then working as a minister with the United Christian Foundation (or UCF, now United Campus Ministries) at Southern Illinois University-Edwardsville. He was also studying at Eden Theological Seminary, where he became friends with one of his professors, Gerald Slusser.

The idea for HTV was generated by these three men. In 1983, they filed for an FCC license under the name HITEC (Humanities Instructional Television Educational Consortium), listing themselves as officers. Beall had managed to enlist the support of the UCF in paying legal fees and engineering studies for the company's ITFS licensing. In his deposition, Beall stated that in the early '80s he saw "an opportunity for an organization such as Humanities to preserve airtime from being eroded away from educational and charitable and religious use towards commercial entities." Plans for a HITEC board included representatives from various religious organizations from the bi-state region, with the goal, presumably, of offering programming of a religious nature.

HITEC was unable to obtain the FCC license in 1983, but Beall didn't give up, and in 1986 the company was officially incorporated as a nonprofit organization. The effort to make HITEC a reality strained relations between Beall and the United Christian Foundation, however. Beall resigned from his position as campus minister shortly after HITEC was

incorporated. In his deposition, Beall said he proffered his resignation because the UCF was losing funding and he “saw the handwriting on the wall,” fearing a diminution of his position in lean financial times.

A number of letters between the board of HITEC and the campus ministry suggest other reasons for Beall’s departure. The UCF spent more than \$3,000 on the creation of HITEC, and its members were looking for reimbursement in 1987. Myra Parrish, who served as both treasurer and president of the UCF, contacted at her home in Granite City, Ill., remembers: “We paid lawyer fees, which people were questioning. I was treasurer, and paying \$300 for just talking to a lawyer seemed a bit much.” She says Beall resigned because “he knew he needed to leave.”

And after he left, despite UCF’s entreaties, the religious organization never saw its three grand again.

Beall moved on to begin his ministry at St. Marcus. Meanwhile, the FCC licensing for his nonprofit corporation stalled in 1986 and 1987, but Beall, even then, was in the midst of planning a way to generate money from his nonprofit enterprise: He was going to lease his asset to himself.

As documented in a memo handwritten by Beall, he conceived of forming a for-profit corporation called Premium Plus. The plan involved issuing 100,000 shares of Premium Plus stock at a rate of \$15 per share. Twenty percent of the stock would be divided among four investors, with each paying \$75,000 -- “Thereby providing \$300,000 start-up capital,” Beall wrote in 1986. The remaining 80 percent of Premium Plus stock would be divided equally among Slusser, Ross, Beall and the corporation, HITEC. They would own a for-profit corporation, operate it with other people’s money and pay fees to themselves by way of their own nonprofit company.

Although most nonprofits are heavily involved with fundraising and grant-writing activities, HITEC/HTV appears never to have troubled itself with such drudgery. Instead, from the very beginning, Beall and his associates were looking for ways to turn a profit with their nonprofit asset.

There wasn’t anything illegal about the Premium Plus plan, at least according to FCC spokeswoman Joyce Bernstein. But then again, she says she’s never heard of such an idea. One of the reasons the plan was so novel was HTV’s unique status within the ITFS world: Most ITFS holders are public institutions. Local organizations such as the Cooperating School Districts, KETC-TV (Channel 9), the Archdiocese of St. Louis and St. Louis Community College also acquired ITFS capability in the 1980s. They make use of their bandwidth in a variety of ways, providing educational programming to schools around the region free of charge. They all have staffs to help deliver and develop that programming. By contrast, HTV seems to have been little more than Beall and Ross and a couple of other board members looking for ways to make money.

In 1988, the FCC license was finally awarded to HTV, and Beall and company entered their first agreement to lease bandwidth to a for-profit company -- they went into business with Specchio. How much business, no one can be certain, because they didn’t keep any records.

Original board member Slusser retired from Eden Seminary and moved to San Diego in the late 1980s, so he had little involvement with HTV business. In 1994, he received a letter from Ross asserting that -- despite current claims to the contrary -- HTV was essentially inactive:

“I am sure that by this time you are convinced that our wireless cable television effort is dead; and you may be correct,” Ross wrote to his old friend and colleague. “I have heard nothing about activity of any kind for years...” [italics ours].

“However, Dickson, out of the blue,” Ross continued, “came by my office the other day to tell me that he still has some hopes.” Beall wanted to renew the FCC license, which was due to expire. “He also introduced me to a new friend, a young lady who seems interested in participating.

“Since he was quite serious about it, I suggested that possibly, if you have no objections, she could simply take your place as one of the three participants. Obviously there is very little hope of ever achieving any financial remuneration for this endeavor, and if we do it would have to be on the basis of work performed.”

The “young lady” was Joan Falk. Falk had no experience in television or wireless technology. In addition to doing freelance design work for a company called Parties and Props, which created festive backdrops and scenery for corporate functions, she was executive secretary for the English Speaking Union, a nonprofit organization.

Her professional résumé may not have been strong in matters regarding HTV business, but she did seem to have a close relationship with Beall, as a Clintonesque exchange during her deposition suggests. Berkowitz asked Falk, “And did you eventually end up having a romantic involvement with Mr. Beall?”

Falk: “I don’t understand that question.”

Berkowitz: “Did you at any time have any romantic involvement with Mr. Beall?”

Falk: “Well, he’s a good friend. I don’t know what you are asking.”

Berkowitz: “You are not familiar with the term ‘romantic involvement’?”

Falk: “Well, I’m fond of all the people on the board.”

Berkowitz: “I understand. I don’t believe you would consider yourself romantically involved with all the directors on the board. Right?”

Falk: “No. But I don’t understand what this has to do with -- I mean, what does ‘romantic’ mean?”

Maurice Graham, HTV’s attorney, at this point interjected, “Are you asking have they dated?”

Berkowitz: “Have you dated?”

Falk: “We’ve gone out socially. It was first of all a social friendship. That’s how we started talking. It wasn’t a business networking involvement. That wasn’t how we met. It was social.”

Berkowitz: “And is your relationship at this time that you are simply friends?”

Graham: “Are you asking if they are dating now?”

Berkowitz: “Are you a couple?”

Falk: “We go out socially. We have not promised each other that we won’t go out with somebody else or something like that, if that’s what you are asking.”

Berkowitz: “But you consider yourself going out with each other at this point?”

Falk: “Yes. Yes, we go places together.”

Just as Falk appears uncertain what romance is, her deposition indicates that she also doesn’t know much about the ITFS she’s been working for -- or even what’s on the Learning Channel. (Berkowitz: “Can you give me an example of what is on the Learning Channel?” Falk: “No, I don’t think so.”)

Another current board member joined HTV in the mid-1990s -- retired minister William Baker. Beall, Ross and Baker all share an affiliation with the Educational Center, where

Ross was president of the board for many years. (Beall, after leaving the St. Marcus, managed to land a job as director of the Educational Center but lasted only eight months, from March-November 2000. An employee there says she’s now working on the organization’s Web site because “Dickson started but he never completed it and left us with the mess.”) Baker, like Falk, seems to lack knowledge of or interest in HTV’s business. “For a long time I didn’t even know what an ITFS is,” he said in his deposition. He also admitted to taking little interest in meetings when the discussions turned to technical matters. When he received those end-of-the-year directors’ fees in 1997 and 1998, he testified, “It was just all of the sudden you have got a check. Thank you very much.”

Baker also testified that the Palm Pilot he received had come in handy for keeping “dates, addresses, phone numbers, that kind of thing.” When Berkowitz asked whether he used it for any HTV business, Baker responded, “Nothing that I know of particularly, no.”

With HTV beginning a lease agreement with PCTV in 1996 -- bringing with it \$1,500-\$5,000 per month into the company’s bank account -- and with two old cronies and his girlfriend on the board, Beall’s nonprofit venture had turned very sweet indeed. Trips to Florida, dinners in the best restaurants, the latest computer equipment -- all coming in from the public trust with a minimum of effort.

But the situation was about to become sweeter still. In 1998, the ITFS landscape changed radically. For the first time, the FCC would allow the ITFS bandwidth to be adapted for two-way transmission -- meaning not only that the new world of interactive education could become a reality but that the license would increase exponentially in value.

When Sprint acquired PCTV in 1999, Beall became involved with one of the major players in the wireless world, and that \$175 million figure began to flicker before him.

But with that potential, there was also a push to actually fulfill HTV’s educational mission, especially with final approval for renewal of its FCC license pending. Beall sure wasn’t going to create any innovative programming with the crew he’d assembled around him. He needed expertise in both technology and education.

He found that in Paul Guzzardo and Laura Friedman.

But with them came HTV’s unraveling.

Guzzardo had given a number of talks around St. Louis on what he calls the topic of “media and urbanism.” He was fully informed about the new “two-way terrain,” and he tried to let others in on the implications. Phrases such as “data streams” and “Webcam operating system” come easily to him. His club, Cabool, was downtown’s first exploration into a public meeting place shaped by technological culture.

One day in December 1998, Guzzardo got a call from Dickson Beall. Beall had heard about him and wondered whether they might be able to talk. They met in Guzzardo’s downtown loft, and Guzzardo says they engaged in a “detailed discussion of new technologies and the possibilities they provide.” Guzzardo showed Beall his plans for superimposing video images on the façades of old buildings, images of factory workers from the 1930s, the very sorts of workers who once occupied those buildings. He talked about the potential of technology to build communities rather than detach them.

Beall “was fascinated,” Guzzardo recalls. Soon Guzzardo was asked to give a presentation to the HTV board. Not long after, he was invited to become a member. Guzzardo recalls wryly, “When I was elected to the board of Humanities [HTV], Dickson Beall asked me to stand and said to the other board members: ‘The Buddha says, When the student is ready, the teacher will appear. Students, I present to you our teacher.’ Who would have

thought I’d have to go to court to dismiss class?”

Laura Friedman, at Beall’s insistence, was brought onto the board in 1999 as well. (HTV was supposedly managed by consensus, but in reality, if Beall wanted something, it happened.) Friedman has been a passionate advocate for charter schools and has served as director of the Charter Schools Information Center. (She has chosen not to be interviewed for this article.)

The board began meeting with consultants for the ITFS industry. Nobody wanted Sprint to get away cheap with the two-way spectrum. HTV, as with other ITFS companies, was looking for Sprint to develop the two-way capacity and to help the nonprofit to move beyond the confines of schools and institutions, allowing it to provide educational content to anyone anywhere at any time.

HTV began developing its venture into what has become a buzzword in education: distance learning. LearningChoice was to become the interactive component of the company. A business plan was formed, a Web site brought online and brochures printed -- all telling how HTV was going to “use this increased technological access to provide real time, interactive, multiple format educational communications to those requiring or desiring location dependent access, including home schoolers, the disabled, the imprisoned and distance learners.” That’s what the LearningChoice business plan offered its potential consumers. The four-page document also included a list of HTV assets (\$175 million) and debt (\$1,240,000 back salaries owed). This was the first time Guzzardo and Friedman had seen or heard of these figures.

In December 1999, Guzzardo and Friedman began asking questions and raising concerns. Friedman asked to see the HTV checkbook, but Falk never obliged her.

The four veteran board members didn’t award themselves directors’ fees at the end of that year as they had in the previous two. In Falk’s deposition, she explained the reasoning: “We needed to conserve any resources we had for engineering and fees and other professional fees that we might need, plus equipment. And we decided that we didn’t feel like it would be wise to take payment, even though I think we certainly deserved it and we certainly were working for it, but we wanted to conserve our resources and sort of go back to the plan we were on before to build up some revenue, because it appeared we might have some significant expenses.” If this is true, the idea to use their cash rather than distribute it among themselves came rather late in HTV’s history. It seems more likely they didn’t give themselves Christmas presents that year because Guzzardo and Friedman had become the resident Grinches.

Beall must have been growing distressed by these inquisitive new colleagues, because in an e-mail written in January 2000, he described Guzzardo and Friedman as members of an “advisory board” -- essentially changing their board status, unbeknownst to them. In the meantime, negotiations with Sprint were imminent. Guzzardo and Falk worked together in finding an attorney to represent HTV and selected Todd Gray, who works for a Washington, D.C., firm that specializes in the communications field. Guzzardo thought it appropriate to send Gray documentation about the company and asked Falk to supply him with a copy of HTV’s bylaws to submit to their attorney. He met with unusual reluctance from Falk, considering the nature of the request, but she finally agreed to leave a copy of the bylaws in her mailbox for Guzzardo to pick up.

What he found there the next day, says Guzzardo, was “the most shocking thing I ever read.”

One of the central issues of contention in Guzzardo's lawsuit involves the HTV bylaws because of what they reveal about Beall and Ross' plans for profiting from their nonprofit. Three sets of bylaws have now been discovered: a set of standard bylaws from when the company was incorporated in 1986, a completely rewritten set of bylaws from 1995 and the document Guzzardo received from Falk in 2000.

The attorney for Beall and his associates, Maurice Graham, claims the standard nonprofit bylaws of 1986 are the only legitimate bylaws for HTV. Those other documents, each with the heading "Humanities Instructional Television Educational Center Inc. By-Laws," were "never submitted, never signed," says Graham.

But when HTV renewed its nonprofit status with the IRS in 1995, the document that accompanied the application was a copy of those 1995 bylaws.

To complicate the matter further, during his sworn deposition, Jack Ross -- an attorney himself -- said repeatedly that HTV had no bylaws whatsoever, contradicting Graham's claim.

The litigious heat is generated by the two more recent documents, which are utterly unique in nonprofit management. Beall certainly didn't draw these up from anything he learned in those Wash. U. courses he took.

Whatever Beall's idea of consensus is, his company's bylaws gave him and Ross "ultimate right and control in all matters" relating to HTV. In both documents, he and Ross proclaimed the right to designate successors; the 2000 version even named those heirs -- Beall's son and Ross' daughter.

Both documents also contained sections titled "Compensation." In the 1995 version, Beall and Ross are acknowledged "for services performed in the foregoing 10 years." For that service, they were to receive \$50,000 each. In the 2000 version, that sum was increased to \$150,000 each.

The 1995 bylaws also called for compensation for officers in terms of salaries: Beall was to receive \$40,000 per year, Falk \$15,000, Ross \$35,000 and Baker \$5,000. The officers were to put in a minimum number of hours per week: 20 hours for Beall, 10 for Falk and Ross, three for Baker. In the 2000 bylaws, Falk's salary was adjusted to \$20,000 per year, and Baker was to receive no salary.

In none of the disputed bylaws is there any mention of directors' fees, which the board awarded itself in 1997 and 1998 for a total of \$30,000.

These provisions contradict the very nature of nonprofit enterprises. Peter Ruger, a lawyer teaching at Southern Illinois University-Carbondale, also acts as a consultant to nonprofit boards. "I've worked with dozens of nonprofits, very active people in the community," he says. "I've never seen a one where anybody asked for anything but out-of-the-pocket expense."

Ruger notices several red flags as the HTV bylaws are read to him over the phone. Non-profits need to avoid even the perception of "private inurement," Ruger says. "What that means in English is, you can't use your position as a board member or an officer to benefit yourself in any unreasonable way. The minute you start paying compensation to directors of a not-for-profit organization, you raise a red flag, particularly if you don't have a circumstance where there are members in the legal sense -- that is, people who can vote, people who can hold you accountable for your conduct. In Missouri, all you need is three people for a board of directors, but you and I and a good friend could sit here and say, 'Hey, it's Jan. 4 -- let's give ourselves pay increases as directors.'"

Or, in the case of HTV, let's eat at Grenache tonight, or let's go to Florida, or let's buy ourselves Palm Pilots, or let's give ourselves directors' fees.

By April 2000, Friedman had seen enough. She sent her letter of resignation to the HTV board:

"The current bylaws are unworkable for a serious not-for-profit with a serious mission," she wrote. "Parts of them violate Missouri law with regards to the operation of nonprofit entities; other parts detail an organization structure and compensation schedule that I feel would hamper future growth of the organization. In addition, I have not been given access to financial and budget information (which I have requested) and I have been disturbed by a pattern of spending by board members that I feel to be inconsistent with the operation of a successful and ongoing business.

"In the months I have been associated with HITV, I have observed no consistent decision-making procedure. Though the board discusses issues and reaches consensus, I have observed that those consensus decisions tend to be overturned or ignored in subsequent actions (such as decision to retain counsel to assist in negotiations). In addition, my exclusion, and that of other board members, from important meetings with Sprint this week confirms that critical decisions about the future of the organization will be made without input of all members."

Friedman's tone is clear, her concerns specific and direct.

However, during their depositions, when Beall and Falk were asked about Friedman's resignation, they talked about time concerns. Beall said: "She I think felt that, as Joan indicated [in her deposition], her time restraints were such that she could not be on the board, but I also feel she felt that we were not yet developed enough, that she was unable to put the kind of energy into what we needed to do to make it all happen."

The contrast between Friedman's actual letter of resignation and Beall's spin could not be more acute.

In May, a month after Friedman's resignation, Guzzardo attended his final HTV board meeting. His notes from that gathering describe Beall conducting "a bizarre disjointed meeting stating he received another proposal from Sprint but does not know where it is." Wherever he'd put it, Beall was willing to accept the offer. According to Guzzardo's record, Beall told the board he didn't believe HTV was going to get any more money out of Sprint. Guzzardo and Ross vehemently opposed Beall's idea that the company should accept this new proposal -- which they hadn't even seen, because Beall had mislaid it.

Guzzardo left the meeting in disgust. He contacted Berkowitz and began planning a suit that would force out Beall and his friends.

Baker and Ross were both notified of Guzzardo's complaint on June 14, 2000. Beall was not served until two days later but likely heard about the action from Ross, with whom he'd been so closely involved in all matters relating to HTV since the early 1980s. The very next day, June 15, Beall moved quickly -- without board consensus -- and signed a letter of intent with Sprint. Included in the deal (which is nonbinding and remains in negotiation) was a \$40,000 signing fee, a \$50,000 equipment grant and \$100,080 toward a "technology fund" for distance-learning development.

Ross apparently still isn't happy with the unilateral action taken by his longtime partner. During depositions, when Beall testified that he had consensus with all the board members to sign the letter of intent with Sprint, Ross interrupted the proceeding: "I did not consent to that letter of intent," he exclaimed. "I don't know what your recollection is and I hate to butt in, but I didn't."

Because his clients are not commenting in public about a case that is now in litigation, Maurice Graham, of Gray, Ritter & Graham, gives his perspective on the case: "These are committed, good people who find themselves in a dispute, and it's just another example when good people disagree," he says. "Hopefully the matter will be resolved and the corporation will continue to do the good things that it does."

But what are those good things? If nobody's even getting the Discovery Channel from HTV, what does the company have to show for 15 years of charitable work? "I don't know exactly how to answer that in 25 words or less," Graham says. "You've seen hundreds of pages of deposition, and surely you've learned some of that. I don't know how to answer that."

Can Graham name any other organization HTV has contracted with to provide educational programming? "You've caught me without the file," he says. "I assume you're planning on writing an objective news story that is balanced and fair and responsible -- certainly nothing wrong with that."

Graham chooses not to discuss the issue of back salaries, specifically the contrast between a 1995 business plan that claimed a debt of \$100,000 owed to the officers and the 1999 plan, in which the debt had escalated to \$1,240,000. "Anything that has to do with the litigation itself, it would be really inappropriate for me to comment, and you certainly understand that," he says. "From a factual background or historical background, I'd be glad to try to answer anything, but anything that's been raised in litigation, it would be inappropriate for me to comment."

(Ross' testimony during his deposition was more illuminating. He explained the remarkable inflation rate as an adjustment made because of "a greater monetary potential.") Retreats to Florida, lavish dinners, computer equipment -- was this the best use of HTV resources? "The expenditures you've just mentioned," Graham responds, "pale in comparison to the personal commitment and the out-of-pocket expenditures made over the years by these people. I don't know how to address that, either. Obviously it can be characterized by you and others just about any way you want to put a spin to it, but it's not the full story, certainly."

Guzzardo's attorney, Ira Berkowitz, may have been scratching his head about this case last summer, but he isn't any longer. "HTV is being used as their own personal boondoggle," he says. "What programming have they done? None. What infrastructure do they have? None.

"The company is their toy. This is what they're playing with. They've got this bandwidth. 'Let's see if we can get away with doing as little as possible, collect our money and pocket whatever we got.' Verbally they don't tell you that. It's like this pretend world that they're living in, and they go around in circles about things that they could be doing. And then they don't do anything, and they make like they've done something, then, at the end of the year, pocket whatever monies they have."

Berkowitz talks about this case with a mixture of outrage and awe. "Jack Ross is sitting for 20 years on the board of another nonprofit corporation [the Educational Center]. He knows what bylaws are. He knows what they're supposed to have. He can't play 'I never looked at the statutes. Gee, I just never looked at them. I was president on a board for 20 years and I've been sitting on this one for 18, but I never looked at not-for-profit law.' That's totally irresponsible."

For 15 years, the board members of HTV have claimed they have not been able to provide the type of services to the community they wish they could because they haven't had

the resources. Yet Berkowitz notes that in Ross' deposition, he admits that PCTV offered equipment to the nonprofit that was refused. "It was going to make life too complicated for them," Berkowitz charges, "so they didn't do it. I am desperately looking for where has this company done the things they were intended to do.

"Because we have no money," Berkowitz recites the HTV lament. "How are you going to have money to do anything if you keep taking it?"

