

# End of an era

## Final chapter of the Logos saga

*Dan Malachuk and Logos International Fellowship have served the charismatic renewal well for more than a decade. But after the demise of the National Courier in 1977 and compiling up a hopeless debt of \$5 million, it's the end of an era.*

By JAMIE BUCKINGHAM

For ten years it was like a trip on a dream boat. Every wind seemed to be a good wind as Logos publishers, later known as Logos International Fellowship (LIF), rode the currents of the charismatic movement.

It was Logos and its publisher, Dan Malachuk, who gave me my first shove into the publishing world. Over an 11-year period I wrote 14 books for them, edited their magazine for a while, and served on the original Board of Directors, and invested money in the ministry.

Resigning from the board three years ago because of differences in opinion, and shifting my book publishing allegiance to another publisher, was one of the most difficult decisions of my life.

It was Logos who first introduced many of today's best known charismatic leaders to the wider audience. Names such as Nicky Cruz, Dennis Bennett, Merlin Cartothers, Harold Hill, Pat Robertson, Arthur Katz, Larry Tomczak, Iverna Tompkins, Judson Cornwall and Bob Mumford were all first published by Logos.

Probably no single institution has affected or helped direct the charismatic movement as much as Logos.

Now that mighty ship, once queen of the seas, has been scuttled. More than \$5 million in debt, the current directors had the option of declaring bankruptcy or selling out. They have chosen to file chapter II—under the bankruptcy law.

Investors, authors, creditors—all stand to lose up to 92 cents on the dollar; and will be fortunate if they receive that.

Many of the crew had previously jumped ship. It has been obvious, for several years, the once proud boat was



The *National Courier* published from 1975 to 1977 compiled a huge debt that began Logos International Fellowship's financial woes.

doomed. Most of the superstructure had been ripped away by the typhoon winds of misfortune.

Yet to the very end the captain, Dan Malachuk, stayed at the helm, damning the torpedoes, refusing to admit his vessel was staved beneath the waterline and was sinking.

It is a sad ending, clouded by the infamy of unpaid debts and disappointed and disillusioned supporters (many of whom invested all they had to keep the ship afloat).

Logos was Dan Malachuk's dream from the beginning. President of a successful retail jewelry business, Dan early became involved with the Full Gospel Business Men's Fellowship International (FGBMFI) as an international director.

In 1965 he took part in a FGBMFI airlift to London. In England he came across a series of lectures written by a former spiritualist medium, Raphael Gasson. He secured the rights to publish the lectures in the United States under the title *The Challenging Counterfeit*.

The book was Dan's first venture into the publishing field.

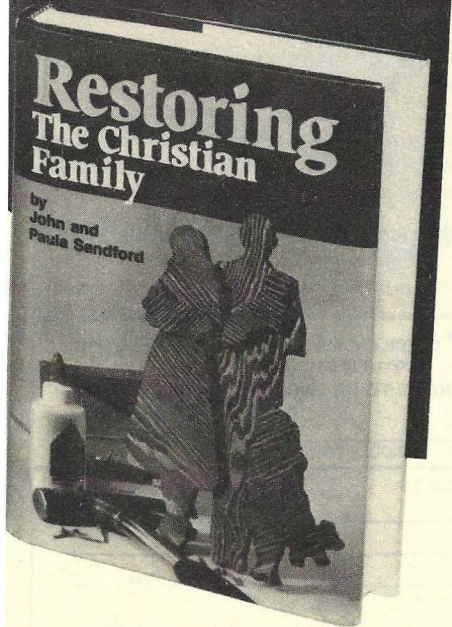
"I returned home to central New Jersey," Dan said, "sent a copy of the manuscript to a printer and ordered 10,000 copies. When books arrived from the printer we began shipping them out of the rear of our jewelry store in Plainfield. I was a publisher."

On that same trip to England, Dan met Nicky Cruz, former gang warlord in Brooklyn and spiritual hero of David Wilkerson's *The Cross and the Switchblade*.

In the fall of 1967 Malachuk, who called his new publishing company Logos (from the Greek term for "word"), contacted John and Elizabeth Sherrill who had written the Wilkerson book, to see if they would be willing to write a similar book for Cruz.

I was attending a *Guideposts* writers'





workshop—my first exposure to the exciting world of writers and writing—at Rye, New York, when Dan made his offer to the Sherrills.

The husband/wife team declined the offer, but that afternoon John pulled me aside and asked if I would be interested in writing the Cruz book. I was at that time a twice-fired Southern Baptist pastor in Florida, desperately searching for God's direction in my life.

I accepted.

The resulting book, *Run Baby Run*, sold well over 8 million copies and was not only the instrument by which I had my personal experience with the Holy Spirit, but it catapulted both Nicky and myself into international fame.

The book also established Logos as not only the forerunner of all charismatic publishers—but as one of the significant Christian publishing houses in the world.

Other books, notably by Dennis Bennett and Merlin Carothers, thrust Logos to the front of the fleet as far as publishers were concerned.

The Carothers books—*Prison to Praise*, etc. (ghost-written by Jorun Ricketts) sold millions of copies. Bennett's books, *Nine O'Clock in the Morning* and later *The Holy Spirit and You* (written with his wife, Rita) helped open the door for many denominational Christians to receive the Holy Spirit.

Dan soon turned his jewelry store over to his brother, Richard, and expanded his

publishing business next door. His wife, Viola, not only worked beside him as his editor-in-chief, but advised and befriended many of the writers and employees at Logos.

It was not unusual for the Malachuks to have several authors staying with them, helping them struggle through their manuscripts or giving spiritual help. Logos was indeed, a ministry—both personal and worldwide.

It was Dan who introduced me to many of the people who made a significant impact on my spiritual life. He recommended me to Kathryn Kuhlman for whom I wrote nine books. He encouraged me in the television ministry. He not only consented, but insisted I take ministry trips around the world at Logos expense. He and his wife became my close friends and spiritual advisors.

In September 1971 Dan took over a small magazine originally published by Joseph Mattson-Boze (later published by Gerald Derstine) and changed its name to *Logos Journal*.

Subsidized by the book division of LIF, the magazine carried ads for Logos books, gave Logos authors an opportunity to write articles, and printed significant news of Holy Spirit activity around the world.

The magazine was barely two issues old when Dan hired my friend, Al West, a newspaperman from Tampa, Florida, as editor. With the help of his wife, Donna, who worked along side him in the renovated storefront and tenement apartments which made up the publishing offices, Al did all the editing, most of the writing, sold ads and handled pasteup and layout for the fledgling magazine.

It was he who urged me to write my last-page column called "The Last Word." Within three years the magazine had almost 50,000 subscribers and was moving toward self-support.

In 1973 Malachuk was approached by Dick Little, a Presbyterian evangelist, and Dr. Earl Morey, pastor of St. Giles Presbyterian Church in Richmond, Virginia, about sponsoring an international conference on the Holy Spirit in Israel.

Always quick to seize a good idea, Dan purchased the concept from the two men and in 1974 Logos sponsored the first World Conference on the Holy Spirit in Jerusalem. It was the largest gathering of Christians in Jerusalem in the history of the world, with more than 9,000 in attendance.

The second conference, Jerusalem II, was held in 1976 with an even greater attendance. Kathryn Kuhlman was the featured speaker—one of her last public appearances before her death.

By the mid-70s Logos was publishing up to 50 books a year, many of them quickly becoming best-sellers in the Christian market. They had successfully broken the unwritten barrier against charismatics in the Christian Booksellers Association (CBA), and were welcome guests at the large annual CBA conventions.

The Board of Directors was expanded. Men such as David duPlessis, General Ralph Haines, and Dennis Bennett agreed to serve on the board.

Then, at the peak of success, Dan announced LIF was going to publish a national Christian newspaper—the *National Courier*. He purchased the old *Courier-News* building in downtown Plainfield—complete with printing presses—to expand his operation. He hired a full staff of editors and writers, led by veteran newspaper editor Bob Slosser of the *New York Times* who also became a director.

Malachuk's dream was to have a bi-weekly nondenominational tabloid publishing national, religious and church news. Along with the full staff, more than 85 correspondents were reporting from around the nation. It was an incredibly exciting and expensive operation.

However, in an almost imperceptible way, the good winds for Logos had changed. The ship was heading toward the shoals.

Al West, *Logos Journal* editor, died of Leukemia in 1975.

The 1977 and 1978 conferences on the Holy Spirit—in Jerusalem and in Lausanne, Switzerland, fell far short of expected attendance. Logos began losing money. Lots of it.

The *National Courier* seemed to be at the heart of the problem. An early projection said that a paid circulation of 200,000 would generate a profit of \$286,000. Although the paper never exceeded 100,000 paid subscribers, Malachuk kept pouring money into the operation, always believing they were about to break out of the fog and have clear sailing. Instead, the fog grew darker and the waves higher.

Not only that, but the energies of the book division—marketing, sales, even art and editorial—were all being marshalled to publish the newspaper. As a result, book sales fell off. Subscriptions to *Logos Journal* dropped.

The newspaper was like a milk cow at dawn and dusk, bellowing every deadline despite the enormous cost.

Malachuk, in the name of LIF, began borrowing money from friends around the nation to bolster his sagging vision. Distributor franchises were sold, telephone sales people were assigned key cities, churches were contacted, and fund

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# Logos saga

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raisers were hired to borrow more money. But after the first-year subscriptions (many of them free or cut-rate) to the *National Courier* ran out, few people re-subscribed.

Emergency meetings of the directors became regular fare. There was a lot of prayer and self-examination. But despite the pleas of one or two of the directors to deep-six the newspaper, Dan clung tenaciously to his dream. He refused to believe the great ship was listing. Despite cries from the engine room about flooding, LIF—pulling the water-logged *National Courier*—continued on, full steam ahead.

In the end Logos borrowed about \$5 million from more than 650 individuals around the nation. It was to no avail. The huge presses were finally cut up by workmen with torches and sold as junk iron. The paper finally went under, leaving Logos hopelessly in debt.

In 1978 several of us—including Dennis Bennett and Earl Morey—resigned from the board. It was a difficult time for me. Despite my love for Dan and the others at Logos, I felt I should not remain if I could not give full endorsement to the procedures.

Others of the directors stayed at their posts, hoping they could help salvage and give new direction to the floundering company.

I still grieve over what took place. Those years, working as a senior editorial consultant (and later short-time editor at *Logos Journal*) were some of the best years of my life.

Our editorial meetings in Plainfield were spiritual experiences. All of us felt Dan Malachuk's compassionate spirit—his burning desire to publish the good news. He was an inspiration to millions—and especially those of us close to him.

We'd sit around the big conference table—Dan and Viola; Howard Earl, who was senior editor at *Logos Journal*; John Murello and his art staff; Dennis Baker and others from the book division—later joined by Bob Slosser and some of his editors from the *National Courier*—putting the next issues of *Logos Journal* together or discussing what books should be published in the coming months.

We all had a sense of destiny—a feeling we were helping shape a divine movement.

But the spirit gradually changed as the financial pressure grew worse. A number of us had invested money, too, and began

Jamie Buckingham, *Charisma* Editor-at-large, is the author of several books, and a prolific writer of timely articles.

to realize there was no way to get it back. Our hearts ached for Dan—and the hundreds of others who were certain to lose great amounts.

Yet, despite pleas to change directions, the ship continued to sail on its pre-determined course—straight for the reef.

It was then I resigned. For a number of months I felt as Fletcher Christian when he considered his role on the *Bounty*—as though I were a traitor. But for me to have remained aboard would have been worse—it would have caused mutiny. Thus, I chose to take the launch myself and slip away.

My wife and I—resigned to the fact we had probably lost our own sizeable invest-

ment—forgave our debtors. It was either that or let bitterness destroy long years of friendship. I turned my attention to other publishers—Chosen Books and *Charisma* magazine.

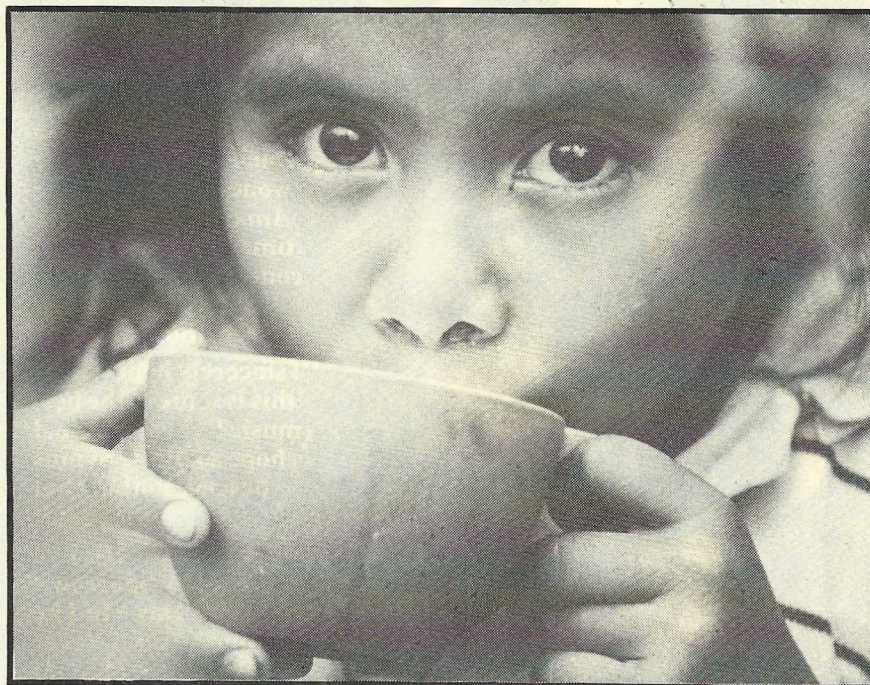
This summer the remaining directors, realizing the ship was sinking, voted to cease publishing *Logos Journal* with the September/October issue. Circulation had dropped to fewer than 20,000 for that issue.

Hal Hostetler, who had almost single-handedly put the last issues together, was fired, along with the remaining staff members.

*Charisma* magazine has agreed to take

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# Logos saga

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on the unfulfilled subscriptions left by the demise of *Logos Journal*—at the request of the LIF board of directors.

It was in July that the directors finally realized the rest of Logos—apart from the magazine—could no longer continue in business. At a creditors' meeting, attorneys explained the dire situation. In a letter to the more than 650 investors—many of whom had invested their life savings—attorney Kenneth W. Smith of Virginia (who had been appointed as an 11th hour director) wrote:

"From the natural worldly viewpoint Logos appears to be hopelessly insolvent."

In a last ditch effort to right things spiritually, the directors asked Dan to write a personal letter of apology to all investors. However, a board member said, the letter fell far short of expectation in that Dan—while admitting he made mistakes—shifted the blame for the financial disaster to the board (who gave him bad advice) and to the Body of Christ (who failed to support the *National Courier*).

The directors then asked Dan, for public record, to reveal his own personal worth. On the advice of his attorney, he refused. This further disillusioned many investors.

Shortly afterwards, Dan proposed to the board that in lieu of bankruptcy the book publishing part of Logos be sold to a newly formed company of Canadian and British investors called Open Scroll. The new company proposed to purchase some of the assets—books, copyrights, machinery and the Logos trade names—and would also retain Malachuk and some key personnel as employees.

They would assume only scattered liabilities. They would pay back royalties to a few select authors, for instance, whose books they wished to keep publishing—but would not be responsible for paying outstanding bills, most of the unpaid royalties (some authors have not received royalties in two years), nor any of the approximately \$5 million owed investors.

The purchase price was to be \$165,000.

The directors then polled the investors who, for lack of any other solution, voted three to one to consummate the sale to Open Scroll.

However, at the last minute, the board realized the legal problems involved in such a sale were too many. Besides, there was no one left to negotiate the sale of the remaining assets and there was a good chance a few creditors could step in and through legal action take all the money.

If the company went into bankruptcy,



at least everyone would share equally in the spoils—which could be as little as eight cents on the dollar.

In late September Logos filed chapter II bankruptcy.

Open Scroll has indicated they will now bid—through the bankruptcy court—to purchase their desired assets. As this is written, the end result is still uncertain, and may remain uncertain for many months.

Investors, authors, and folks like the printer who have not been paid either, have been notified of bankruptcy and will be allowed to file a claim with the courts in hopes of receiving something following the sale of the assets.

Several of the trustees have confided that there is no promise any money will be repaid.

It is a sad ending for what was once the flag ship of the charismatic fleet.

For me, just writing this report, has been perhaps the most painful assignment I've ever undertaken—even more heart-wrenching than the column I wrote when my old pal, Al West, died of leukemia.

I grieve for my dear friends, Dan and Viola Malachuk, who have seen their dream dashed against the rocks with little hope of recovery. I know, by just signing my name to this column, I run the risk of being accused of driving nails in a coffin.

But the story must be told. How much better, it seems, to have the report written by one such as me who loves them deeply, than by some cynic who might dance on the Logos grave.

Above all I know that Dan is numbered among God's "anointed"—and thus is not to be touched by those seeking revenge.

I grieve, also, for all the widows, missionaries and retired preachers who invested life savings in a "ministry," only to hear—despite such assurances as "I'll personally stand behind your money"—that it's all gone.

Surveying the damage, who among us does not cry with Jeremiah: "For the hurt of my people I am hurt."

The bankruptcy action at Logos marks the end of an era in the charismatic movement. It is also symbolic of things that grow up so rapidly they don't have time to put down adequate roots.

I wrote a column last year for *Logos Journal* in which I talked about a "miracle plant" that grew up almost overnight near our pasture fence. By the end of August, it was more than six feet tall. If ever a plant had an "anointing," this one did.

But a few days later when I was helping my son Tim string some barbed wire, I bumped into the miracle plant and it fell

over. The outside looked strong, but inside it was full of air and fluffy fiber. No substance.

Besides, it had no root system. It just went down in the sand about two inches. With the smallest stress, it fell.

So many fast-growing things are like that.

I've just finished reading Charles Blair's outstanding new book, *The Man Who Could Do No Wrong* (Chosen Books), written with John and Elizabeth Sherrill. It is the story of how the pastor of the largest church in Denver led his people into a program which cost his naive investors \$10 million, put the church

into receivership, and wound up with Dr. Blair and his administrator convicted in court and a suspended sentence to prison.

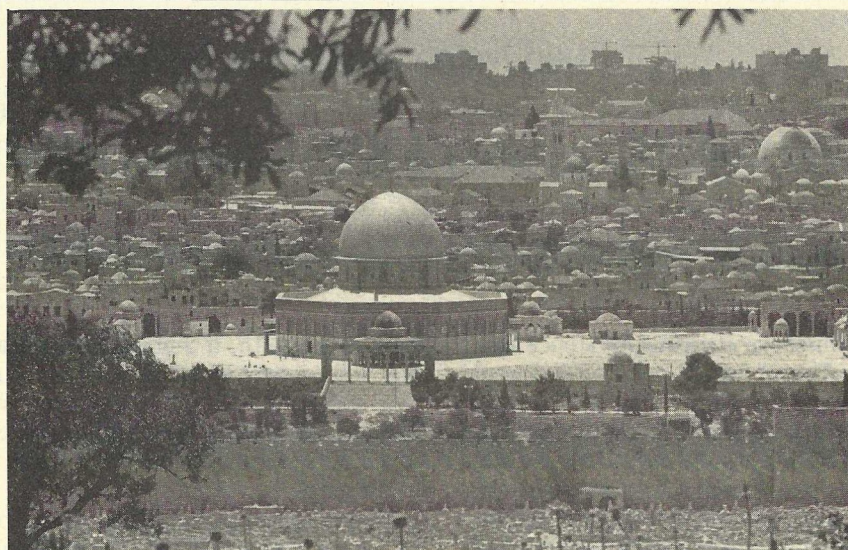
I thank God for Charles Blair's honesty in writing this book. I pray his book will keep others from repeating the same mistakes.

But what of Logos, who, through books and conferences, has blessed untold millions?

Are there not lessons to be learned?

Surely there are. But I shall leave those to more astute (and objective) historians.

In the meantime, tomorrow is rushing toward me from the east, and I have work to do. ⇐



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