

UPDATE: LifeWay, Rainer reach lawsuit settlement



Rainer

NASHVILLE (BP and local reports) – LifeWay Christian Resources of the Southern Baptist Convention and retired former president/CEO Thom Rainer have agreed to settlement terms in LifeWay’s breach of contract lawsuit against Rainer. According to a statement jointly released by LifeWay and Rainer on Oct. 6, Rainer will honor the terms of his separation agreement, including the noncompete clause at issue in the lawsuit.

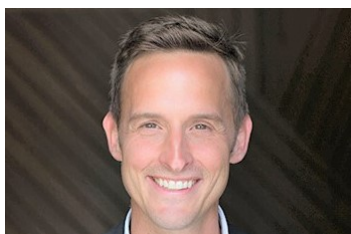
LifeWay filed the complaint Sept. 28 in Williamson County (Tenn.) Chancery Court, alleging Rainer had violated his separation agreement with LifeWay by publishing with a competitor. The agreement between Rainer and LifeWay upon his 2019 retirement precluded him from having any business association with LifeWay competitors until Oct. 31, 2021.

Prior to the settlement announcement, Rainer told Baptist Press that an Oct. 1, 2019, letter from LifeWay granted him “rights reversal” on his writings and LifeWay officials communicated in subsequent verbal comments that he was released to publish books with any publishing house he selected. Previously, Rainer told Baptist Press that he had received “a written and amicable release from publishing” with LifeWay, he had discussed the matter with LifeWay’s attorney, and he had “assumed all was well” until receiving notice of the lawsuit.

The legal action, which was authorized by the LifeWay trustee executive committee under the leadership of trustee chair Todd

Fannin, led to confusion and questions last week from some LifeWay trustees who were taken by surprise when the full board of trustees was not consulted prior to the lawsuit filing. The board's three officers defended their decision to sue but immediate past board chairman Jimmy Scroggins, who still serves on the board, maintained legal action should not have been taken and that the full board should have been notified.

A new flurry of discussion about LifeWay's handling of the conflict with its former president/CEO arose over the past weekend after the LifeWay sent trustees and employees an e-mail from the three trustee officers – Fannin, vice chairman J.D. Perry and secretary Amy Mielock – detailing their claims against Rainer. In addition to facts previously stated in the lawsuit, the e-mail disclosed LifeWay had paid Rainer more than \$1 million plus benefits since his February 2019 retirement.



Mandrell

Rainer said last week he has returned his payments to LifeWay since late spring, after he was asked to forgo remaining compensation by Ben Mandrell, his successor as LifeWay president. Under his transition agreement, he was to remain a paid LifeWay employee through Oct. 31, 2020, as chief advisory officer. Mandrell has not commented publicly on the issue. Several requests by Baptist Press for an interview with Mandrell were declined by a LifeWay spokesperson.

"We have attempted to show grace and restraint in a difficult process and to preserve what will be embarrassing information to many involved," the LifeWay trustee officers wrote in the Oct. 2 e-mail, according to a copy obtained by Baptist Press.

“We had hoped our request for a season of prayer would be embraced by all involved, but as misrepresentations continue to be published, we now believe it best to present these facts. Ultimately, it is always our goal to allow the truth to prevail.”

Rainer told Baptist Press Oct. 5 that he was “hurt” by the officers’ email, but could not comment on its substance in light of the settlement talks ongoing at the time.

Scroggins, who was trustee chairman when Rainer retired, responded to the three officers in an Oct. 3 e-mail sent to the full board, a copy of which was obtained by Baptist Press. Among his claims:



Scroggins

- The amount of money awarded to Rainer in his separation agreement is consistent with publishing industry standards.
- The relationship between Rainer and Mandrell has been strained.
- While he (Scroggins) is not defending Rainer’s actions, LifeWay’s “high profile, explosive, legal action was taken without notification, consultation, or affirmation from the Board.”

Scroggins wrote in his Oct. 3 e-mail that the lawsuit occurred “in direct violation of the principles in 1 Corinthians 6. Please read it for yourself if you have not done so. Even if Thom [Rainer] is wrong, the text actually says ‘It would be better to be wronged, or defrauded.’”

Scroggins requested an in-person trustee meeting in Nashville,

where LifeWay is headquartered, with masking and social distancing, though he said he's willing to attend a meeting in any format including Zoom. To date, no meeting has been announced publicly.