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LDS Corp. — The church's long journey to stay on the right side of the law and its principles

The Church of Jesus Christ of Latter-day Saints reshapes and renames its primary corporation to better align with an image of faith and service.

(Rick Egan | The Salt Lake Tribune) The LDS Church Office Building, shown in 2017. A new scholarly work examine the legal legacy of The Church of Jesus Christ of Latter-day Saints as a corporate entity.

By Tony Semerad | June 1, 2021, 6:00 a.m. | Updated: 6:55 p.m.

Editor's note • *This story is available to Salt Lake Tribune subscribers only. Thank you for supporting local journalism.*

Amid heightened scrutiny of the faith's [multibillion-dollar financial empire](#), a newly released history of The Church of Jesus Christ of Latter-day Saints reveals its uneasy relationship with being a corporation.

It might not seem odd to think that a heaven-facing global religion would struggle to find its earthbound legal personality, but a Virginia attorney and law professor says the church's bumpy quest for a lawful form suitable to its needs has brought on many legal clashes through the years, from the earliest days of Mormonism to the present.

Since its origins in New York, through operating for decades as the Corporation of the Presiding Bishop, to being renamed in 2019 to better focus on Jesus Christ, [the church's legal legacy as a corporation](#) is both convoluted and telling.

Amassing real estate, handling [tithing](#) and running businesses to finance a frontier Zion for Latter-day Saint converts didn't always mesh with prevailing corporate rules and secular views of religion of the time, scholar [Nathan Oman](#) found.

His research also highlights the echoing legal tensions between state governments and Latter-day Saints, Roman Catholics and leaders of other faiths in a long process through U.S. history referred to as “disestablishment,” which has helped define today’s legal separations between church and state.

“Governments will always have their own vision of the proper role for religious institutions, and that vision often does not coincide with believers’ own conception of their mission in the world,” Oman writes in [his article, to be published in the Journal of Law & Religion](#).

The result: legal dust-ups at almost every turn of Latter-day Saint history since the church’s inception in 1830. The various ways its leaders used corporate entities to conduct church affairs have spawned public controversy, lawsuits, inheritance disputes and other reactions, according to Oman, akin to issues such as polygamy or pioneer-prophet Brigham Young’s heavy parochial hand in Utah’s territorial government.

While the notion has been spread on the edges of other Mormon histories, Oman said in an interview, “if you look at legal personality as its own story, it’s really fascinating.”

Oman, a [professor at William & Mary Law School](#) in Williamsburg, Va., said the progression through a series of legal incarnations brought bitter legal fights to the church and its leaders across the late 19th and early 20th centuries, making it “one of the key points of conflict between the Latter-day Saints and American society.”

The \$100 billion question

(Christopher Cherrington | The Salt Lake Tribune)

Some faithful Latter-day Saints and church critics alike casually refer to it as “LDS Corp.” — a term sometimes used to portray business-centered aspects of the faith as rising above its Christian ministry and global humanitarian efforts.

That view and Oman’s new research have both taken on added meaning in light of revelations about the church’s finances since 2019.

An incendiary December 2019 whistleblower complaint to the IRS has alleged that through one of its investment arms, the Salt Lake City-based church [piled up at least \\$100 billion in stock and mutual fund holdings](#) while running afoul of tax laws requiring the cash be used for charitable purposes.

Instead, the tax complaint alleges that an Ensign Peak Advisors fund paid out \$2 billion for church commercial ventures, including [City Creek Center](#) in downtown Salt Lake City — [a claim church officials repeatedly have denied](#).

The assertions — contained in leaked documents submitted to the IRS by former Ensign Peak Advisors portfolio manager [David Nielsen and his twin brother, Lars](#) — have led to several lawsuits against the church's top corporation, accusing its leaders of deceiving members over how contributions are used.

For their sense of magnitude alone — recent filings show this Ensign Peak [portfolio holds at least \\$46.5 billion](#) — assertions about the stock holdings have energized a wave of comment in “Mormon blogosphere” social media channels.

This perceived contrast between the church's parochial and corporate interests has been further elevated by several new legal actions against the church flowing from the complaint to the IRS, some accusing its leaders of fraud, racketeering and breach of trust.

In one federal lawsuit, plaintiff James Huntsman, a wealthy California resident and brother of former Utah Gov. Jon Huntsman Jr., [frames the corporate side of the church he left in 2020 in almost Jekyll-and-Hyde terms](#). The former Utahn and film distributor is seeking to recover millions of dollars in tithing.

His suit addresses the church throughout as “LDS Corporation,” accusing its corporate arm of “dishonestly and fraudulently plac[ing] its own commercial financial interests above the loyalty and well-being of the church's most devout members.”

[Another federal case filed in Utah by former Latter-day Saint and North Carolina resident Laura Gaddy](#) asserts the church's business interests, in part, led its leaders to obscure certain foundational facts about the faith to “ensure, among other things, that members' tithing contributions continue.”

Seeking a corporate identity

(Rick Bowmer | The Associated Press)The Book of Mormon, the foundational text of The Church of Jesus Christ of Latter-day Saints. Soon after its publication, the faith was organized as a legal entity in 1830.

According to Oman's article, legal conflicts such as those have been a driving force in shaping the church's legal "personhood" since it first incorporated in New York after the publication of its signature scripture, the Book of Mormon.

Thus began its long shift from "a diffuse, prophetic movement" centered on [church founder Joseph Smith](#) to more of an institutionalized denomination — and its ongoing struggles to match its sense of holy mission with prevailing business law.

In addition to conferring respectability on a religion that had been linked to elements of folk magic, Oman writes, Smith's decision to incorporate also offered its New York churches certain key benefits.

It simplified owning property and debts. It offered clear lines between what belonged to the church and to its members. And it avoided clashes with heirs and creditors when a key leader died. All would be crucial as church followers moved westward and built enclaves in Ohio, Missouri and Illinois — bringing the nascent Mormon movement into a headlong clash with Protestant attitudes hostile to its culture.

Laws for corporations in those states commonly required laypersons acting as board members to have ultimate say on church affairs, while Latter-day Saints believed in hierarchy and deferring to priestly authority. More crucially, emerging corporate laws on the U.S. frontier limited and complicated land ownership by a faith's leaders, while the LDS Church's visions for populating Zion relied on it.

By the time Latter-day Saints reached critical numbers at their main settlement in Illinois, early Latter-day Saint leaders "continued to sit at the heart of the real estate transactions that formed the lifeblood of Nauvoo's economy."

Ensuing years saw complex legal moves to protect the church's expanding landholdings, sometimes pitting members against antagonistic non-Mormon neighbors. A temporary legal entity setting up Smith as a "trustee-in-trust" collapsed in 1841 when a Nauvoo-based steamboat sank, leaving the church leader as loan guarantor.

Ultimately, Illinois law could not contain the church's ambitions, Oman wrote. "Churches were to confine their activities to Sunday worship. They could dream of Zion, but church corporations could not implement that theology by building new cities of God in the wilderness."

The Beehive State — then a territory and Young's ultimate destination for migrating Mormons — ultimately passed a new corporate charter for the church in 1851 that seemed to do away with the prior

problems — until intensifying clashes with the U.S. government boiled over.

Post-Brigham battles

(Tribune file photo) Brigham Young, second president of The Church of Jesus Christ of Latter-day Saints, became entangled in a number of legal battles as trustee-in-trust of the faith.

In 1862, a Republican-led Congress passed the Morrill Anti-Bigamy Act, which targeted polygamy and did away with the territory's church charter. It also actively sought "to prevent the accumulation of real estate in the hands of ecclesiastical corporations in Utah."

Young again claimed to hold church property as trustee-in-trust even without the charter, but upon his death in 1877, another caustic property dispute broke out among heirs, one of many family squabbles to entangle church finances.

Church officials even resorted to creating corporations for all stakes and wards, or congregations, at one point, to get around impending federal land ownership limits. In 1887, Congress forcibly dissolved the church as a corporation. A prominent backer, U.S. Rep. John Randolph Tucker, said the church as an "ecclesiastical organism is a menace to the civil power" because of "the influence which concentrated and corporate wealth always acquires."

A federal receiver briefly took control of the [iconic Salt Lake Temple](#), one of the few church properties not held by a stake or ward corporation.

Utah [became a state in 1896](#) and, by then, the church's legal counselors had found a new way for holding church property and conducting other affairs with fewer legal glitches: a corporation sole — inspired, it turns out, by Catholic hierarchy.

Created in Utah in 1901, it's the equivalent of an office taking legal form — say, a monarch or archbishop — but one that only has a single occupant. In this way, Oman explained, "the corporation sole is distinct from the natural person who occupies the office, and it thus persists when that person dies or when a new person takes office."

Five years later, a disgruntled Latter-day Saint sued the church's then-president, Joseph F. Smith, Oman writes, "alleging he was misappropriating tithing funds by investing them in for-profit enterprises."

Still, the Utah-based faith has relied on the odd "corporation sole" in several forms as an enduring

corporate instrument for governing its vast land and financial holdings. But even that arrangement — with a sort of legal version of current President Russell M. Nelson officially at its helm — continues to be tweaked.

New corporate name, new mindset

(Image courtesy of The Church of Jesus Christ of Latter-day Saints) The church recently embraced this symbol. Now the faith's corporation carries the faith's full name as well.

Church officials recently wrapped up a corporate merger they had announced in 2019, when the well-known “Corporation of the Presiding Bishop” — used for decades to manage nonecclesiastical real estate and other holdings — was renamed “The Church of Jesus Christ of Latter-day Saints.”

As 2020 closed, another long-standing church entity, its Corporation of the President, which governed temples and other sacred buildings, merged into the renamed corporation as of Dec. 31. The Corporation of the President has now ceased to exist, according to filings at the Utah Department of Commerce, the state’s keeper of corporate records.

The move was in keeping with a series of edicts from Nelson and other top leaders beginning in 2018 intended to reemphasize the full name of the church “[and better convey a commitment to follow Jesus Christ.](#)”

“This mindset will help fill our lives, our homes, our neighborhoods, and our churches with more of Christ’s light and power,” Nelson said in a March 5, 2019, statement.

Along with corporate entities, names have since been changed on communications channels ranging from email and web addresses, web-based apps for members, church social media pages, broadcast outlets and charities to the passwords on Wi-Fi servers at meetinghouses.

Church spokesperson Doug Andersen said in a statement that having a single corporation at church headquarters in Salt Lake City was also meant to “simplify internal operations, for example, allowing a single payroll structure.”

Andersen said the corporate name change would “make the church entity more easily identifiable and understood by employees, commercial enterprises and governments.”

Latter-day Saint author and [By Common Consent](#) blogger [Jonathan Stapley](#) jokingly wrote that the

corporate merger and renaming officially had debunked assertions that the church had somehow existed only as a trademark since its first incorporation.

“I guess,” Stapley wrote, “the church exists now.”

Editor’s note • *James Huntsman is a brother of Paul Huntsman, chairman of the nonprofit Salt Lake Tribune’s board of directors.*

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COMMENTS: (70)



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90
Rulon Black

LDS Corporation simply changed the rules to make buying eternal salvation for a cash donation acceptable.



94
Thomas Thompson

Well, sure. But what kind of "charitable acts" are involved in amassing a \$100,000,000,000 fortune, which only grows larger with each passing day and none of which is being spent on anything at all -- just to make the church richer??



90
AussieM
Australia

As I understand it there were several linked issues relating to the temple cleansing

- 1) Only certain animals were fit for sacrifice, and those animals could only be bought with Jewish currency.
- 2) The temple tax had to be paid in Jewish currency.
- 3) Foreigners therefore had to change their foreign money to Jewish money, and the money changers were charging too much to do so....

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