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CHURCH OF THE NEW CIVILIZATION,
9 (dba Advanced Ability Center)
HARVEY HABER, JOHN NELSON, JON
ZEGEL, VIVIEN ZEGEL, and
10 DAVID MAYO

11 IN THE UNITED STATES DISTRICT COURT
12 FOR THE CENTRAL DISTRICT OF CALIFORNIA

13 RELIGIOUS TECHNOLOGY CENTER, a) NO. CV 8f-711MRP(Bx)
California corporation, CHURCH)
14 OF SCIENTOLOGY INTERNATIONAL, INC.,) ANSWER OF DEFENDANTS
a California corporation, CHURCH OF) CHURCH OF THE NEW
15 SCIENTOLOGY OF CALIFORNIA, INC., a) CIVILIZATION, HARVEY
California corporation,) HABER, JOHN NELSON,
16) JON ZEGEL, VIVIEN
Plaintiffs,) ZEGEL AND DAVID MAYO
17 vs.) TO FIRST AMENDED
ROBIN SCOTT, an individual, et al.,) COMPLAINT, COUNTER-
18) CLAIMS AND DEMAND
Defendants.) FOR JURY TRIAL
19)
20)

21 CHURCH OF THE NEW CIVILIZATION, a)
22 California corporation, DAVID MAYO, an)
individual and JON ZEGEL, an individual)

23 Counterclaimants,

24 vs.

25 RELIGIOUS TECHNOLOGY CENTER, a California)
26 corporation, CHURCH OF SCIENTOLOGY)
INTERNATIONAL, INC., a California)
27 corporation, CHURCH OF SCIENTOLOGY OF)
CALIFORNIA, A California corporation and)
28 L. RON HUBBARD, an individual,)

Counterdefendants.

I hereby attest and certify on 6-19-87
that the foregoing document is a full true and correct
copy of the original on file in my office, and in my
legal custody.

CLEOPH U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
by [Signature] Deputy



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1 Defendants CHURCH OF THE NEW CIVILIZATION, doing business as
2 ADVANCED ABILITY CENTER ("AAC"), HARVEY HABER, JOHN NELSON, DAVID
3 MAYO, JON ZEGEL and VIVIEN ZEGEL currently known as VIVIEN HARTOG,
4 collectively referred to hereinafter as "these Defendants," answer
5 Plaintiffs' First Amended Complaint ("Complaint") in this action,
6 as follows:

7 FIRST CAUSE OF ACTION

8 1. In answer to Paragraphs 2, 3 and 4 of the First Cause of
9 Action of Plaintiffs' Complaint, Defendants admit said allegations.

10 2. In answer to Paragraph 11 of the First Cause of Action of
11 Plaintiffs' Complaint on file herein, Defendants admit said al-
12 legations except that Defendant deny the principal place of busi-
13 ness of the ADVANCED ABILITY CENTER is located in the County of
14 Ventura, State of California; these Defendants aver said principal
15 place of business is located in the County of Santa Barbara, State
16 of California. Defendants further deny that at the time mentioned
17 in said First Amended Complaint that Defendant JON ZEGEL was a cur-
18 rent member of the Board of Directors of the ADVANCED ABILITY-
19 CENTER. Defendants admit at said time, said Defendant was a former
20 member of said Board of Directors.

21 3. In answering the allegations of Paragraph 14 of the First
22 Cause of Action in Plaintiffs' Complaint on file herein, Defendants
23 admit said allegations, except that said Defendants deny Defendant
24 JON ZEGEL is an individual residing in the City of North Hollywood,
25 County of Los Angeles, State of California, and aver said Defendant
26 resides in Glendale, California.

27 4. In answer to the allegations of Paragraph 15 of the First
28 Cause of Action of Plaintiffs' Complaint, , Defendants admit said

1 allegations except that Defendants aver, since the filing of the
2 First Amended Complaint, Defendant VIVIEN ZEGEL is currently known
3 as VIVIEN HARTOG and at all subsequent times to the filing of said
4 Complaint has been a resident of the State of Hawaii.

5 5. In answering the allegations of Paragraphs 19, 28, 34, 35,
6 36, 37, 38, 43, 44, 45 (including all subparagraphs), 46 (including
7 all matter incorporated by reference therein), 47, 48 and 49 of the
8 First Cause of Action of Plaintiffs' Complaint, these Defendants
9 deny said allegations.

10 6. In answering the allegations contained in Paragraphs 1, 17,
11 18, 20, 21, 22, 23, 24, 25, 26, 27, 29, 30, 31, 32, 33, 39, 40 and
12 42 of the First Cause of Action of Plaintiffs' Complaint on file.
13 herein, these answering Defendants deny having sufficient knowledge
14 or information to form a belief as to said allegations, and on such
15 basis deny said allegations in their entirety.

16 7. In answering the allegations of Paragraph 5 of the First
17 Cause of Action of Plaintiffs' Complaint on file herein, these
18 Defendants deny said allegations except said Defendants admit
19 Defendants ROBIN and ADRIENNE SCOTT are individuals currently
20 residing in the Country of Scotland.

21 8. In answering the allegations of Paragraphs 6 of the First
22 Cause of Action of Plaintiff's Complaint on file herein, these
23 answering Defendants deny said allegations except said Defendants
24 admit Defendant RON LAWLEY is an individual residing in East
25 Grinstead, England.

26 9. In answering the allegations of Paragraph 7 of the First
27 Cause of Action of Plaintiffs' Complaint on file herein, these
28 Defendants deny said allegations except said Defendants admit

1 Defendant MORAG BELLMAINE. is an individual residing in East
2 Grinstead, England.

3 10. In answering the allegations of Paragraph c of the First
4 Causa of Action of Plaintiffs' Complaint on file herein, these
5 Defendants deny said allegations except the defendants admit
6 Defendant STEVEN BISBEY is an individual residing in East Grinsteadj,
7 England.

8 11. In answering the allegations of Paragraphs 9 and 10 of the
9 First Cause of Action of Plaintiffs' Complaint on file herein,
10 these Defendants deny said allegations except that Defendants
11 admit Defendant ADVANCED ABILITY CENTER CANDACRAIG is an incor-
12 porated organization in the Country of Scotland, and that Defendant
13 ADVANCED ABILITY CENTER EAST GRINSTEAD is an incorporated organ-
14 ization in East Grinstead, England.

15 12. In answering the allegations of Paragraph 12 of the First
16 Cause of Action of Plaintiffs' Complaint on file herein, these
17 Defendants deny said allegations except the Defendants admit Defen-
18 dant HARVEY HABER is an individual residing in the County of
19 Santa Barbara, State of California, and is a former member of the
20 Sea Org, and is a former staff member of the CHURCH OF SCIENTOLOGY
21 OF CALIFORNIA.

22 13. In answering the allegations of Paragraph 13 of the First
23 Cause of Action, these Defendants deny said allegations except
24 these Defendants admit that Defendant JOHN NELSON is an individual
25 currently residing in the City of Santa Barbara County of Santa
26 Barbara, State of California, and that said Defendant is a former
27 administrative officer with CHURCH OF SCIENTOLOGY INTERNATIONAL
28 and a former member of the Sea Org. *

1 14. In answering the allegations of Paragraph 16 of the First
2 Cause of Action of Plaintiffs' Complaint on file herein, these
3 Defendants deny said allegations except said Defendants admit that
4 Defendant DAVID MAYO is an individual who resides in the City of
5 Santa Barbara, County of Santa Barbara, State of California, and
6 is a former staff member of the CHURCH OF SCIENTOLOGY OF
7 CALIFORNIA and a former member of the Sea Org.

8 15. In answer to Paragraph 41 of the First Cause of Action
9 the Complaint, wherein Plaintiff adopts by reference the
10 allegations contained in Paragraph 1 through 38 of said Complaint,
11 these Defendants admit, deny, and allege to the same effect and in
12 the same manner as admitted, denied and alleged to those
13 specific paragraphs as set forth in Paragraphs 1 through 14 above,
14 of this Answer.

15 SECOND CAUSE OF ACTION

16 16. in answering the allegations of Paragraphs 53, 51
17 ~~tr.isurr.bered~~ as 53), and 55 of the Second Cause of Action of
18 Plaintiffs' Complaint on file herein, Defendants deny said
19 allegations.

20 17. Answering the allegations contained in Paragraphs 50 and
21 51 of the Second Cause of Action of Plaintiffs' Complaint on file
22 herein, these answering Defendants deny having sufficient
23 knowledge or information to form a belief as to said allegations,
24 and on such basis deny said allegations in their entirety.

25 18. In answering the allegations contained in Paragraph 52 of
26 the Second Cause of Action of Plaintiffs' Complaint on file herein,
27 wherein Plaintiff adopts by reference certain paragraphs of
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Plaintiffs' First Cause of Action, these Defendants admit, deny and allege to the same effect and in the same manner as said defendants admitted, denied and alleged to those specific paragraphs as set forth in Paragraphs 1 through 15 above contained in this Answer.

THIRD CAUSE OF ACTION

19. In answering the allegations of Paragraphs 56 and 57 of the Third Cause of Action of Plaintiffs' Complaint on file herein, Defendants deny said allegations.

20. In answering the allegations contained in Paragraphs 59, 60 and 61 of the Third Cause of Action of Plaintiffs' complaint on file herein, these answering Defendants deny having sufficient knowledge or information to form a belief as to said allegations, and on such basis deny said allegations in their entirety.

21. In answering the allegations contained in Paragraph 58 of the Third Cause of Action of plaintiffs' Complaint on file herein, wherein Plaintiff adopts by reference certain paragraphs of Plaintiffs' First Cause of Action, these Defendants admit, deny and allege to the same effect and in the same manner as said Defendants admitted, denied and alleged to those specific paragraphs as set forth in Paragraphs 16 through 18 above contained in this Answer.

FOURTH CAUSE OF ACTION

22. In answering the allegations contained in Paragraphs 62, 63 and 65 of the Fourth Cause of Action of Plaintiffs' complaint on file herein, these answering Defendants deny having sufficient knowledge or information to form a belief as to said

1 allegations, and on such basis deny said allegations in their
2 entirety.

3 23. In answering the allegations of Paragraphs 66 (including
4 all subparagraphs), 67, 68, 69, 70 (including all subparagraphs),
5 71, 72, 73 and 74 of the Fourth Cause of Action of Plaintiffs'
6 Complaint on file herein, these Defendants deny said illegal ions.

7 24. In answering the allegations contained in Paragrat ;i 64
8 of the Fourth Cruse of Action of Plaintiffs' Complaint on file
9 herein, wherein Plaintiffs adopt by reference, Paragraphs 57
10 through 61 of Plaintiffs' Complaint, these answering Defendants
11 admit, deny and allege to the same effect and in the same manner
12 as said Defendants admitted, denied and alleged to those
13 specific paragraphs as previously set forth in this Answer.

14 FIFTH CAUSE OF ACTION

15 25. In answering the allegations contained in Paragraphs
16 75 and 77 of the Fifth Cause of Action of Plaintiffs' Complaint
17 on file herein, these answering Defendants deny having sufficient
18 knowledge or information to form a belief as to said allegations,
19 and on such basis deny said allegations in their entirety.

20 26. In answering the allegations of Paragraphs 73 (incluJing
21 all subparagraphs), 79, 80, 81, 82, 83 and 84 of the Fifth Cause
22 of Action of Plaintiffs' Complaint on file herein, Defendants
23 deny said allegations.

24 27. In answering the allegations contained in Paragraphs
25 76 of the Fifth Cause of Action of Plaintiffs' Complaint on file
26 herein, wherein Plaintiffs adopt by reference, Paragraphs 62
27 through 74 of Plaintiffs' previous cause of action, these
28 Defendants admit, deny and allege to the same effect and in the

1 same manner as said Defendants admitted, denied and alleged to those
2 specific paragraphs as previously set forth in this Answer.

3 SIXTH CAUSE OF ACTION

4 28. In answering the allegations in Paragraph 85 of the Sixth
5 Cause of Action of Plaintiffs' Complaint, these Defendants deny
6 having sufficient knowledge or information to form, a belief as to
7 said allegations, and on such basis deny said all allegations.

8 29. In answering the allegations of Paragraphs 87, 88, 89, 90
9 and 91 of the Sixth Cause of Action of Plaintiffs' Ccmp_aint on
10 file herein, Defendants deny said allegations.

11 30. In answering the allegations contained in Paragraph 86
12 of the Sixth Cause of Action of Plaintiffs' Complaint *on* file
13 herein, wherein Plaintiffs adopt by reference, Paragraphs 75
14 through 84 of Plaintiffs' Complaint, these Defendants admit, deny
15 **and** allege to the same effect and in the same manner as said
16 Defendants admitted, denied and alleged to those specific
17 paragraphs as previously set forth in this Answer.

18 SEVENTH CAUSE OF ACTION

19 31. In answering the allegations contained in Paragraph 92 of
20 the Seventh Cause of Action of Plaintiffs' Complaint on file herein,
21 these answering Defendants deny having sufficient knowledge or
22 information to form a belief as to said allegations, and on such
23 basis deny said allegations in their entirety.

24 32. In answering the allegations of Paragraphs 94, 95, 96, 97
25 and 98 of the Seventh Cause of Action of Plaintiffs' Complaint on
26 file herein, these Defendants deny said allegations.

27 33. In answering the allegations contained in Paragraph 93
28 of the Seventh Cause of Action of Plaintiffs' Complaint, on file

1 herein, wherein Plaintiffs adopt fay reference, Paragraphs 85
2 through 91 of Plaintiffs' Complaint, these Defendants admit,
3 deny and allege to the same effect and in the same manner as said
4 Defendants admitted, denied and alleged to these specific
5 paragraphs as previously set forth in this Answer.

6 EIGHTH CAUSE OF ACTION

7 34. In answering the allegations contained in Paragraph 99
8 of the Eighth Cause of Action of Plaintiffs' Complaint on file
9 herein, these answering Defendants deny having sufficient knowledge
10 or information to form a belief as to said allegations, and on such
11 basis deny said allegations in their entirety.

12 35. In answering the allegations cf Paragraphs 102, 103, 104,
13 and 105 of the Eighth Cause of Action of Plaintiffs' Complaint
14 on file herein, these Defendants deny said allegations.

15 36. In answering the allegations contained in Paragraph 100
16 of the Eighth Cause of Action of Plaintiffs' Complaint on file
17 herein, wherein Plaintiffs adopt by reference, Paragraphs
18 9? through 98 of plaintiffs' Complaint, these Defendants admit,
19 deny and allege to the same effect and in the same manner as said
20 Defendants admitted, denied and alleged to those specific
21 paragraphs as previously set forth in this Answer..

22 37. Jn answering the allegations of Paragraph 101 of
23 Plaintiffs' Complaint on file herein, these answering Defendants
24 deny each and every allegation thereof, except Defendants
25 admit that the Defendants are former members of Plaintiffs and/or
26 its related entities and/or Plaintiffs' predecessors in interest.

27 NINTH CAUSE OF ACTION *

28 ~38. In answering the allegations contained in paragraph 106

1 of the Ninth Cause of Action of Flaintiffs' Complaint, of file
2 herein, these answering Defendants deny having sufficient knowledge
3 or information to form a belief as to said allegations and on such
4 basis deny said allegations in their entirety.

5 39. In answering the allegations of Paragraphs 108, 109, 110,
6 111, 112, 113, 114 and 15 of the Ninth Cause of Action of
7 Plaintiffs' Complaint on file herein, these answering Defendants
8 deny said allegations.

9 40. In answering the allegations contained in Paragraph 107
10 of the Ninth Cause of Action of Plaintiffs' Complaint on file
11 herein, wherein Plaintiffs adopt by reference, Paragraphs 99
12 through 105 of Plaintiffs' Complaint, these Defendants, admit,
13 deny and allege to the same effect and in the same manner as said
14 Defendants admitted, denied and alleged to those specific
15 paragraphs as previously set forth in this Answer.

16 TENTH CAUSE OF ACTION

17 41. In answering the allegations contained in Paragraphs 116
18 and 118 of the Tenth Cause of Action of Plaintiffs' Complaint
19 on file herein, these answering Defendants deny having sufficient
20 knowledge or information to form a belief as to said allegations,
21 and on sich basis deny said allegations in their entirety.

22 42. In answering the allegations of Paragraphs 119, 120, 131,
23 122 and 123 of the Tenth Cause of Action of plaintiffs' Complaint
24 on file herein, Defendantds deny said allegations.

25 43. In answering the allegations contained in Paragraph 117
26 of the Tenth Cause of Action of Plaintiffs' Complaint on file
27 herein, wherein Plaintiffs adopt by reference Paragraphs 106
28 through 115 of Plaintiffs' Complaint, these Defendants admit, deny

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1 and allege to the same effect and in the same manner as said
2 Defendants admitted, denied and alleged to those specific
3 paragraphs as previously set forth in this Answer.

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5 These answering Defendants affirmatively allege as
6 follows:

7 FIRST AFFIRMATIVE DEFENSE

8 (Failure to State a Claim)

9 44. The Complaint and each of its claims fails to state a
10 claim upon which relief may be granted.

11 SECOND AFFIRMATIVE DEFENSE

12 (First Amendment)

13 45. Any representations made by these Defendants with
14 respect to their materials, applications, processes, goods or
15 services, or with respect to those of Plaintiffs, relate to
16 religious matters and any claim by Plaintiffs with respect
17 thereto is barred by the First Amendment to the United States
18 Constitution.

19 46. The "technology", whether standard or otherwise, upon
20 which Plaintiffs purport to base claims, consists of religious
21 ideas and materials and any claim based upon alleged use thereof
22 by Defendants is also barred by the First Amendment.

23 THIRD AFFIRMATIVE DEFENSE

24 (Truth)

25 47. Any representations made by these Defendants with
26 respect to their materials, applications, processes, goods or

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1 services, or with respect to those of Plaintiffs, were and are
2 true, and Plaintiffs have no claim with respect thereto.

3 FOURTH AFFIRMATIVE DEFENSE

4 (Public Domain)

5 48. The "technology" whether standard or otherwise, upon
6 which Plaintiffs purport to base claims, consists of useful and
7 functional ideas and methods which are within the knowledge and
8 experience of the general public. Plaintiffs possess no patent,
9 copyright or other legal rights that would bar Defendants and/or
10 other third parties from utilizing those ideas and methods, and
11 any claim based thereon is barred pursuant to law.

12 FIFTH AFFIRMATIVE DEFENSE

13 (Genericism)

14 49. Plaintiffs' alleged trademarks or service marks
15 including, but not limited to, the alleged trademarks or service
16 marks "OT", "Scientology", "The Bridge", are descriptive and
17 generic terms for the goods or services for which Plaintiffs use
18 them and are not valid or enforceable as trademarks or service
19 marks or descriptions of origin. Any claim for relief based upon
20 the alleged Federal, State, or Common Law trademark infringement,
21 service mark infringement, false description of origin or unfair
22 competition is barred by 15 USC, Section 1064(c) and by state and
23 common law.

24 50. Trademark or service mark registrations referred to
25 in the Complaint, including U.S. Registration Numbers 1,303,562,
26 1,318,717, 1,307,548, and California Registration Numbers 71283,
27 71134, 17774, 17776r 18520 , 18516, and 74941, were and are

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1 improperly issued in that the alleged trademarks or service marks
2 represented by such registrations are descriptive and generic.

3 SIXTH AFFIRMATIVE DEFENSE

4 (Descriptive Use)

5 51. Any alleged use by these Defendants of Plaintiffs'
6 alleged trademarks* service marks or descriptions of origin has
7 been merely descriptive use or use for purposes of comparison
8 with Defendants' terminology and/or goods and services with the
9 terminology and/or goods or services of Plaintiffs'. Any such
10 descriptive or comparative use is lawful and privileged and does
11 not infringe upon the legal rights of Plaintiffs.

12 SEVENTH AFFIRMATIVE DEFENSE

13 (Laches)

14 52. Plaintiff's claims, and each of them, are barred by
15 the doctrine of Laches.

16 EIGHTH AFFIRMATIVE DEFENSE

17 (Unclean Hands/Misuse)

18 53. Plaintiffs' equitable claims, including but not
19 limited to, Plaintiffs' request for injunctive relief, is barred
20 by Plaintiffs' unclean hands, specifically including Plaintiffs'
21 breach of the anti-trust laws and false representations of
22 origin, as more fully alleged in Defendants' counter-claims set
23 forth below, and by Plaintiffs' misconduct and illegal acts
24 directed to these answering Defendants in respect to those
25 transactions and events which form the basis of the within
26 litigation.

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NINTH AFFIRMATIVE DEFENSE

(Disclosure)

54. These Defendants are informed and believe, and on that basis allege, that Plaintiffs have disclosed to third parties including these Defendants, the nature and use of some or all of Plaintiffs' alleged confidential materials and that by virtue of such disclosures, such materials and processes have entered the public domain and knowledge.

TENTH AFFIRMATIVE DEFENSE

(Independent Development)

55. Defendants are informed and believe, and thereon allege, that all or a substantial portion of the materials and processes alleged to constitute commercial trade secrets in Plaintiffs' Complaint, were discovered and defined by Defendant DAVID MAYO while acting beyond the scope of his employment with Plaintiffs, or any of them, and that the possession or usage of such materials by the Defendants or any other third person is lawful and proper.

ELEVENTH AFFIRMATIVE DEFENSE

(Copyright-Preemption)

56. Defendants are informed and believe, and thereon allege, that the confidential and proprietary materials alleged to belong to the Plaintiffs are affixed in a tangible mode of expression and constitute literary works all within the meaning of the Federal Copyright Statute which statute provides for exclusive remedies concerning such forms of expression.

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1 TWELFTH AFFIRMATIVE DEFENSE

2 (Lack of Consideration)

3 57. The alleged agreements and/or contracts referred to
4 in Plaintiffs' Complaint existing between Plaintiffs and these
5 answering Defendants herein are void for want of any
6 considerati on whatsoever.

7 THIRTEENTH AFFIRMATIVE DEFENSE

8 (Fraud)

9 58. The contracts and agreements alleged in Plaintiffs'
10 Complaint to exist between these answering Defendants and
11 Plaintiffs, contain material misrepresentations and misstatements
12 of facts including, but not limited to, the role, position and
13 compensation of cross-defendant L. Ron Hubbard as to Plaintiffs',
14 and each of them, which said misrepresentations and misstatements
15 materially affected Defendants' performances thereunder.

16 FOURTEENTH AFFIRMATIVE DEFENSE

17 (Duress)

18 59. The contracts and agreements allege,, to exist between
19 these Defendants and Plaintiffs were executed under circumstances
20 constituting duress in that Defendants' execution thereof was
21 obtained pursuant to express threats of demotion, punishment,
22 and/or expulsion from the religious organizations represented by
23 Plaintiffs.

24 FIFTEENTH AFFIRMATIVE DEFENSE

25 (Recession)

26 60. Prior to the filing of litigacion herein, Plaintiffs
27 have expressly revoked and rescinded the alleged contracts and
28 agreements existing between Plaintiffs and Defendants, and each

1 of them, which revocation and recession was stated in writing and;
2 precludes and excuses Defendants' performance under such
3 contracts or agreements.

4 COUNTERCLAIMS

5 JURISDICTION AND VENUE

6 61. These counterclaims arise under the Lanham Act, 15
7 USC §§ 1051 et seq., the Sherman Act, 15 URC §§1 et seq., the
8 Clayton Act, 15 USC §§ et seq., the Racketeer Influenced and
9 Corrupt Organizations Act, 18 USC §§ 1961 et seq., the California
10 Business and Professions Code §§ 17200 and 17500, the Cartwright
11 Act, California Business and Professions Code §§ 16720 et seq.,
12 and California laws relating to unfair competition, defamation,
13 and intentional infliction of emotional duress. This Court has
14 jurisdiction under 15 USC §§ 15, 26 and 1194, 18 USC § 1964 and
15 28 USC §§ 1331, 1337 and 1338. This Court also has jurisdiction
16 because the counterclaims arise out of the transactions or
17 occurrences that are the subject matter of the claims in this
18 action. This Court has jurisdiction over the related state
19 claims under the Court's pendent jurisdiction, Venue is proper
20 in this District pursuant to 28 USC § 1391.

21 PARTIES

22 62. Defendant and counterclaimant CHURCH OF THE NEW
23 CIVILIZATION is a non-profit corporation organized and existing
24 under the laws of the State of California with its principal
25 place of business in Santa Barbara, California and doing business
26 under the name Advanced Ability Center ("AAC").

27 63. Defendant and counterclaimant DAVID MAYO ("MAYO") is
28 an individual who resides in the City of Santa Barbara, County of

1 Santa Barbara, California; and is a Director and Executive
2 Officer of the AAC.

3 64. Defendant and counterclaimant JON ZEGEL ("ZEGEL") is
4 an individual who resides in Los Angeles, California; and is a
5 former Director and current employee of the AAC.

6 65. Plaintiff and counterdefendant RELIGIOUS TECHNOLOGY
7 CENTER ("RTC") is a corporation organized and existing under the
8 laws of the State of California with its principal place of
9 business in Los Angeles, California.

10 66. Plaintiff and counterdefendant CHURCH OF SCIENTOLOGY
11 INTERNATIONAL INC. ("CSI") is a corporation organized and
12 existing under the laws of the State of California with its
13 principal place of business in Los Angeles, California.

14 67. Plaintiff and counterdefendant CHURCH OF SCIENTOLOGY
15 OF CALIFORNIA, INC. ("CSC") is a corporation organized and
16 existing under the laws of the State of California with its
17 principal place of business in Los Angeles, California.

18 68. Plaintiff and counterdefendant L. RON HUBBARD
19 ("HUBBARD") is an individual citizen of the United States;
20 counterclaimants are informed and believe that HUBBARD is a
21 resident of the State of California and that he and his agents
22 conduct business in California.

23 69. At all times referred to in these Counterclaims and
24 with regard to the activities referred to herein, each
25 counterdefendant was the agent of each of the other
26 counterdefendants and acted with the knowledge and consent and
27 authority of each other counterdefendant.

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FIRST COUNT

(False Designation of Origin/False Description)

70. counterclaimants reallege and incorporate by this reference the allegations of paragraphs 61 through 69 above.

71. Counterclaimants are engaged in offering religious goods and services to the public. Counterclaimants follow and practice the religious philosophy originally founded by HUBBARD and generally known by the descriptive term "Scientology".

72. For many years, counterclaimant MAYO was associated with the CHURCH OF SCIENTOLOGY INTERNATIONAL (CCSI), and/or CHURCH OF SCIENTOLOGY OF CALIFORNIA ("CSC"), and/or RELIGIOUS TECHNOLOGY CENTER ("RTC"), which organizations are the Plaintiffs' and counterdefendants herein, and are referred to collectively herein as the "CHURCH". Commencing in 1978, counterclaimant MAYO created and developed the religious counseling procedures described in Plaintiffs' Complaint on file herein as "NOTS" and "SOLO NOTS". Counterclaimant MAYO developed such techniques and procedures while providing religious services to HUBBARD, cross-defendant herein, which later individual also contributed to the refinement of the process.

73. On or about February 14, 1983, counterclaimant MAYO was expelled from the religious organizations of Plaintiffs and counterdefendants and began practicing his religious philosophy and offering religious services through the formation of counterclaimant AAC.

74. Counterclaimants MAYO, ZEGEL, and AAC, and each of them, have, since July, 1983, competed with said CHURCH, for parishioners and donations.

1 75. Beginning approximately September of 1978 and
2 continuing to the present, in connection with the offering,
3 promoting and selling of "NOTS" and "SOLO NOTS" services in
4 interstate commerce, counterdefendants have falsely described and
5 represented said services were created and developed exclusively
6 by L. RON HUBBARD. Counterdefendants have made these false
7 descriptions and representations with knowledge that they are
8 false and for the purpose of misleading and deceiving the public
9 in **order** to give such **services** offered **by counterdefendants** a
10 false appearance of **authenticity** and/or standardness while
11 depriving counterdefendant **MAYO** of public credit and
12 acknowledgment for being the originator and developer of said
13 services.

14 76. In addition, on numerous occasions since the
15 relationship between counterclaimant MAYO and the "CHURCH" was
16 severed and MAYO commenced competition with said organizations in
17 the offering of religious services, said counterdefendants have
18 made statements to the public falsely representing the authorship
19 of said services; and further, that the "CHURCH" services are
20 superior to and safer than those offered by counterclaimants; and
21 that counterclaimants' religious services are dangerous and may
22 cause illness, serious injury or even death. Counterdefendants
23 have made these representations with full knowledge of their
24 falsity, in connection with offering, promoting and selling
25 religious services in interstate commerce, in order to mislead
26 and deceive the public and to damage counterclaimants and impair
27 their ability to offer religious services in competition with
28 counterdefendants. Such false written and published

1 representations include, but are not limited to the following:

2 1) "In 1980 MAYO tried to position himself as the
3 the source of LRH'S miraculous tech breakthrough of SOLO
4 NOTs....". Dated February 13, 1984.

5 2) "My husband then heard DAVID MAYO had left the
6 Church and was delivering a cheapened version of NOTS and
7 instantly wanted to start. Somehow he ended up staying with the
8 MAYO group... and became violently ill to a point near body
9 death." Dated January 15, 1984.

10 3) "Lest there be any who wonder, there is only one
11 source of the technology in Dianetics and Scientology - L. RON
12 HUBBARD, founder." Dated March 2, 1983 (republished 1984).

13 77. Counterdefendants' false descriptions and
14 misrepresentations have damaged counterclaimants' reputations and
15 their ability to offer their religious services to and obtain
16 donations from the public. Counterclaimants cannot now ascertain
17 the amount of damages caused by counterdefendants' acts but
18 believe such damages are in excess of One Hundred Thousand
19 Dollars (\$100,000.00) and are continuing. Counterclaimants pray
20 leave to amend this counterclaim when the amount of those damages
21 are ascertained, or in accordance with proof at trial.

22 78. Counterdefendants acts were done with conscious
23 disregard of counterclaimants' rights and with the intent to
24 injure counterclaimants, so as to constitute oppression, fraud
25 and malice. Counterclaimants are entitled to punitive damages in
26 the amount of Two Million Dollars (\$2,000,000) for the sake of
27 example, and by way of punishing counterdefendants.

28 79. Counterdefendants' acts have caused, and unless

1 restrained will continue to cause, irreparable injury to
2 counterclaimants' reputation and religious organization and to
3 said counterclaimants' ability to offer religious services and
4 obtain donations from the public.

5 80. Counterdefendants have engaged in a pattern of
6 wrongful conduct as described herein and have threatened to
7 continue such conduct in the future. Counterclaimants have no
8 adequate remedy at law to compel counterdefendants to cease such
9 **wrongful** conduct, and unless enjoined by the Court,
10 counterclaimants will be compelled to prosecute a multiplicity of
11 actions, on each occasion counterdefendants engage in such
12 wrongful conduct in the future.

13 WHEREFORE, counterclaimants pray for judgment as set forth
14 below.

15 SECOND COUNT

16 (Libel and Libel Per Se)

17 81. Counterclaimants reallege and incorporate herein by
18 this reference the allegations set forth in paragraphs 61 through
19 b9 inclusive, and Paragraphs 76, 79 and 80 above.

20 82. Counterdefendants' representations as set forth in
21 Paragraph 76, are false; in addition, counterdefendants have
22 further falsely represented as follows:

23 1) "There are many other crimes which MAYO committed
24 both while on staff in the Church and since his departure...
25 sexual or sexually perverted conduct contrary to the: well-being
26 or good state of mind of the Scientologist:...".

27 2) "JON ZEGEL is. guilty of the following crimes and
28 high crimes: Obtaining loans or money under false pretences..."

1 3) "Several of them have spoken out against
2 Scientologists... in a hope that they might... shift attention
3 from themselves and their crimes." (Context refers to MAYO.)

4 83. Counterdefendants representations as set forth in
5 Paragraphs 76 and 82 were and are defamatory and libelous to
6 counterclaimants in that they have a tendency to injure them in
7 their occupation, profession, trade and business, and have
8 exposed them to hatred or obloquy, and input to them general
9 **disqualification with** respect to **their** occupation, **and by** their
10 natural consequences have caused and will continue to cause
11 actual damage to said counterclaimants.

12 84. Counterclaimants have suffered damages in an amount
13 which cannot now be ascertained. Counterclaimants believe that
14 such damages are in excess of One Hundred Thousand Dollars
15 (\$100,000) as of this date and continuing, but will pray leave to
16 amend this counterclaim to set for the amount of such damages
17 when the same has been ascertained, or in accordance with proof.

18 85. The defamatory statements were made with knowledge
19 that they were false, with conscious disregard of
20 counterclaimants' rights, and with intent and design to injure,
21 disgrace and defame counterclaimants, so as to constitute
22 oppression, fraud and malice. Counterclaimants are entitled to
23 punitive damages in the amount of One Million Dollars
24 (\$1,000,000) for the sake of example and by way of punishing the
25 counterdefendants.

26 86. Counterdefendants' acts nave caused, and unless
27 restrained will continue to cause, irreparable injury to
28 counterclaimants' business and reputation and to their ability to

1 offer their religious services to and obtain donations from the
2 public.

3 WHEREFORE, Counterclaimants pray for judgment as set forth below.

4 THIRD COUNT

5 (Intentional Infliction of Emotional Distress)

6 87. Counterclaimants reallege and incorporate herein by this
7 reference the allegations set forth in Paragraphs 61 through 69.

8 88. Commencing no later than February, 1984, Counterdefendants,
9 and each of them, acting through their authorized agents and em-
10 ployees, began an intentional, oppressive and malicious course of
11 conduct including the following unreasonable and outrageous acts;

12 (a) During the months of February, March and June, 1984,
13 teams of private investigators accompanied by and under the direc-
14 tion of employees and agents of Counterdefendants "CHURCH" appeared
15 at the ADVANCED ABILITY CENTER at Santa Barbara, California. Said
16 individuals contacted business associates, clientele, and family
17 members of Counterclaimant MAYO and other officers and directors
18 of the ADVANCED ABILITY CENTER and falsely represented themselves
19 as members of a "White-Collar Task Force on Crime and Drugs," af-
20 filiated with federal law enforcement agencies; and that Counter-
21 claimants were under investigation for serious criminal conduct
22 including drug smuggling and international currency and fire arm
23 violations.

24 (b) Said "task force members," as described above,
25 overtly surveilled, photographed and followed Counterclaimants
26 MAYO and ZEGEL in such a manner as to disrupt the day to day
27 affairs of the ADVANCED ABILITY CENTER.

28 ///

1 (c) As a further and separate act of the course of con-
2 duct conducted by Counterdefendants, and each of them, as described
3 herein, Counterdefendants HUBBARD and "CHURCH" have at all times
4 promised and represented to Counterclaimants MAYO and ZEGET. and the
5 general public that any and all information disclosed during
6 "auditing" or, in other words, religious counseling, would remain
7 confidential.

8 Contrary to said express promises and representations, Counter-
9 defendants, have publicly disclosed during the calendar year 1984
10 up to the present, the confidential information obtained during
11 such "auditing" sessions concerning Counterclaimants MAYO and ZEGEL
12 specifically including allegations of sexual misconduct and failure
13 to obtain professional qualifications.

14 (d) As a further and separate act of the course of con-
15 duct engaged in by Counterdefendants as described herein, on or
16 about November, 1983 said Counterdefendants published a telex mes-
17 sage containing the address and phone number of Counterclaimant
18 DAVID MAYO, requesting any scientologist receiving said telex to
19 write a letter or phone Counterclaimant DAVID MAYO to urge said
20 individual to "stop cooperating with the evil elements of this
21 planet," which Counterclaimants are informed and believe and there-
22 on allege, has produced numerous abusive and threatening letters
23 and phone calls commencing November, 1983 and continuing to the
24 present.

25 (e) As a further and separate act constituting part of
26 the course of conduct described herein, Counterdefendants declared
27 Counterclaimants MAYO and ZEGEL to be "suppressive persons" wherein
28 all scientologists were prohibited from associating or communicating

1 with Counter-claimants in any fashion. Such declarations were ori-
2 ginally published in 1983 and have continued to the present; denying
3 Counterclaimants friendships and business associates build up over
4 many years.

5 89. The afore stated acts of Counterdefendants have caused
6 Counterclaimants MAYO and ZEGEL severe mental and emotional distress
7 and anguish all to said Counterclaimants general damage in the sum
8 of One Hundred Thousand (\$100,000.00) Dollars.

9 90. The afore described course of conduct engaged in by
10 Counterdefendants, and each of them, was done maliciously and with
11 the intent of inflicting severe mental and emotional distress and
12 anxiety upon Counterclaimants MAYO and ZEGEL, and each of them, and
13 by reason thereof said counterclaimants seek punitive damages in
14 the amount of Five Million (\$5 , 000 , 000 . 00) Dollars.

15 WHEREFORE, Counterclaimants pray for judgment as set forth
16 below.

17 FOURTH COUNT

18 (Racketeer Influenced and Corrupt Organizations Act)

19 91. Counterclaimants reallege and incorporate herein by this
20 reference the allegations set forth in Paragraphs 61 through 75
21 above.

22 92. Beginning at a date unknown to Counterclaimants and con-
23 tinuing to the present, Counterdefendants conspired to form and did
24 form an enterprise with which they have been employed or associated.
25 Such enterprise is engaged in and its activities affect interstate
26 commerce in the offering of religious services and the receiving of
27 payments and donations. Counterdefendants have conducted and
28 participated in, and conspired to conduct and participate in, the

1 conduct of that enterprise through a pattern of racketeering
2 activity by committing numerous violations of 18 U.S.C. §§ 1341 and
3 1343, within and throughout the United States, all in violation of
4 18 U.S.C. § 1962(c) and (d).

5 93. Counter-defendants have violated the Federal Mail Fraud
6 Statute, 18 U.S.C. §, as follows:

7 (a) Counterdefendants have devised and intend to devise
8 a scheme and artifice to defraud the public and to obtain money or
9 property by means of the false and fraudulent pretenses, represen-
10 tations and promises described in Paragraphs 75 and 76 above.

11 (c) Counterclaimants are informed and believe, and on
12 that ground allege, that as part of that scheme and artifice to de-
13 fraud and for the purpose of executing it or attempting to do so,
14 Counterdefendants have placed in United States Postal services post
15 offices or depositories matters and things to be sent or delivered
16 by the Postal Service. Such matters and things have included
17 those false representations as set forth in Paragraph 76 of the
18 First Count herein, which by this reference is incorporated herein
19 as though set forth in full.

20 94. Counterdefendants have violated the Federal Wire Fraud
21 Statute, 18 U.S.C. § 1343, as follows:

22 (a) Counterclaimants reallege and incorporate herein by
23 t>.is reference the allegations of Paragraph 93(a) above.

24 (b) Counterclaimants are informed and believe, and on
25 that ground allege, that as part of th-t scheme and artifice to
26 defraud, for the purpose of executing it or attempting to do so,
27 counterdefendants have transmitted by means of wire communication in
28 interstate commerce :commerce telegrams or telephone messages, or' both, ??

1 various persons and entities, including other members of the enter-
2 prise and members of the public Such communications have included
3 **that** telex message and those telephone rails more particularly
4 described in Paragraphs 88 above, which allegations are incorporated
5 herein by this reference.

6 95. Counterclaimants have been injured in their business and
7 property by means of the aforesaid enterprise, pattern of rack-
8 eteering activity and offenses by Counterdefendants, in that, **pari-**
9 **shioners and** potential parishioners, employees and staff members
10 of the ADVANCED ABILITY CENTER as well as potential employees and
11 staff members of the ADVANCED ABILITY CENTER have been, and cur-
12 rently are, intimidated by such conduct.

13 WHEREFORE, Counterclaimants pray for judgment as set forth
14 below.

15 FIFTH COUNT

16 (Sherman Act)

17 96. Counterclaimants reallege and incorporate herein by this
18 **reference** the allegations of Paragraphs 61 through 75 above.

19 97. Counterdefendants have monopolized and conspired and
20 **attempted** to monopolize the market for religious goods and services
21 in accordance with religious philosophy of Scientology within the
22 **United States.**

23 98. The relevant product market involved in this claim is
24 religious goods and services under the religious philosophy of
25 scientology ("Scientology services"). The relevant geographical
26 market is United States.

27 99. Scientology is a religious philosophy originally founded
28 by HUBBARD. The principal teachings and techniques of the religious

1 philosophy are set forth in published works by Mr. HUBBARD and
2 others, including Dianetics T he Modern Science_ of Mental Health , -
3 Science of Survival; Phoenix Lectures; Creation of Human Ability;
4 and H.C.O.B. Volumes 1 through 12. Counterclaimants are informed
5 and believe and thereon allege that as of 1983, Counterdefendants
6 represented that there were over one million persons in the United
7 States **who** had received or who were in the process of receiving
8 Scientology services from Counterdefendants. Counterclaimants
9 **estimate that** approximately two hundred thousands of these persons
10 live in Southern California.

11 100. Until 1963, Counterdefendants were the sole supplier of
12 Scientology goods and services in the United States. During that
13 time, Counterdefendants had one hundred percent (100%) of both the
14 relevant product market and relevant geographical market. As the
15 sole and still principal supplier of the market in the United
16 States, Counterdefendants have been able to charge and have charged
17 exorbitant, monopoly prices for their Scientology services. Their
18 prices for their services have reached as high as One Thousand
19 (\$1,000.00) Dollars per hour and average approximately Five Hundred
20 Fifty (\$550.00) Dollars per hour.

21 101. In 1983, Counterclaimants established the ADVANCED
22 ABILITY CENTER in Santa Barbara, California, and began offering
23 **their version** of Scientology services in Southern California in
24 competition with Counterdefendants. The donations Counterclaimants
25 request from recipients of their services are substantially less
26 **than the** prices charged by Counterdefendants for their services
27 and average approximately Eighty-Five(\$ 85,00) dollars per hour
28 ///

1 10 102. Since 1983, Counterdefendants have monopolized and con-
2 spired and attempted to monopolize the relevant market for
3 Scientology religious services in violation of Section 2 of the
4 Sherman Act, 15 U.S.C. § 2, by engaging in the following conduct
5 with specific intent to drive Counterclaimants out of business and
6 to monopolize that market:

7 (a) Counterdefendants have falsely described and mis-
8 represented **the** nature and source of their goods and services as
9 **alleged in Paragraphs 75 and 76 above** in order to **mislead and de-**
10 **ceive the** public into doing business with Counterdefendants and to
11 deter them from receiving Scientology services from Counterclaimants
12 or other competitors.

13 (b) Counterdefendants have issued false and defamatory
14 **statements** concerning Counterclaimants and Counterclaimants' ser-
15 vices as alleged in Paragraph 76 above in order to deceive and
16 mislead the followers and prospective followers of Scientology into
17 avoiding and boycotting Counterclaimants.

18 (c) On January 31, 1985, Counterdefendants commenced this
19 litigation against Counterclaimants in bad faith and without
20 reasonable or any belief in its merit. The claims asserted in the
21 litigation against Counterclaimants are meritless and are being
22 **pursued** purely to harass Counterclaimants, to distract them and
23 **burden** them with litigation expenses, and to deter and intimidate
24 **them,** as well as other persons, from competing with Counter-
25 defendants.

26 (d) Counterdefendants have engaged in a course of con-
27 duct of harassment and intimidation of Counterclaimants as more
28 particularly described in Paragraph 88 herein, which allegations

1 are incorporated by this reference as though set forth in full.

2 103. Counterdefendants have monopolized, and there is a
3 dangerous probability that Counterdefendants will succeed in con-
4 tinuing to monopolize the market for Scientology services in the
5 United States.

6 104. Counterclaimants have been damaged and will continue to be
7 damaged in the business and property by reason of Counterdefendants'
8 misconduct, in an amount which cannot presently be ascertained but
9 which Counterclaimants believe exceeds One Hundred Thousand
10 (\$100,000.00) Dollars. Counterclaimants will seek leave to amend
11 this counterclaim when the amount of such damages has been ascer-
12 tained.

13 105. Counterdefendants' acts have caused, and unless restrained
14 will continue to cause, irreparable injury to Counterclaimants
15 business and property and to their ability to offer their religious
16 services to and obtain donations from the public.

17 WHEREFORE, Counterclaimants pray for judgment as set forth
18 below.

19 SIXTH COUNT

20 (Cartwright Act)

21 106. Counterclaimants reallege and incorporate herein for this
22 reference the allegations of Paragraphs 61 through 75 and 97 through
23 105 above.

24 107. Counterdefendants have engaged in a combination and con-
25 spiracy with the intent and effect of unreasonably restricting
26 trade or commerce in the offering of Scientology services and for
27 the purpose and with the effect of preventing competition in the
28 providing of those services.

1 108. As a result of Counterdefendants' combination and con-
2 spiracy, Counterclaimants have been injured in their business and
3 property in an amount which cannot presently be ascertained but
4 which Counterclaimants believe exceeds One Hundred Thousand
5 (\$100,000.00) Dollars. Counterclaimants will seek to amend
6 this Counterclaim when the amount of such damages has been ascer-
7 tained.

8 SEVENTH COUNT

9 (Unfair Competition)

10 109. Counterclaimants reallege and incorporate herein by this
11 reference the allegations of Paragraphs 61 through 75, 85 through
12 94 and 97 through 108 above.

13 110. Counterdefendants' conduct constitutes unfair competition
14 in violation of Section 17200 and 17500 of the California Business
15 and Professions Code in that Defendants have (1) engaged in unlaw-
16 ful, unfair and fraudulent business practices; and (2) unfair,
17 deceptive, untrue and misleading advertising.

18 111. Counterdefendants' unfair competition has damaged
19 Counterclaimants' reputations and their ability to offer their
20 religious services to and obtain donations from the public.
21 Counterclaimants cannot now ascertain the amount the damages caused
22 by Counterdefendants' acts but believe such damages are in excess
23 of One Hundred Thousand (\$100,000.00) Dollars, and continuing.
24 Counterclaimants will pray leave to amend this Counterclaim when the
25 amount of those damages are ascertained.

26 112. Counterdefendants' acts were done with conscious disregard
27 of Counterclaimants' rights*and with the intent to injure Counter-
28 claimants' so as to constitute oppression, fraud and malice.

1 Counterclaimants are entitled to punitive damages in the amount of
2 Two Million (\$2,000,000.00) Dollars for the sake of example and by
3 way of punishing Counterdefendants.

4 113. Counterdefendants' acts have caused, and unless restrained
5 will continue to cause, irreparable injury to Counterclaimants'
6 business and reputation and to their ability to offer their reli-
7 gious services to and obtain donations from the public.

8 WHEREFORE, Counterclaimants pray for judgement as set forth
9 below.

10 EIGHTH COUNT

11 (Cancellation of Registrations)

12 114. Counterclaimants reallege and incorporate herein by this
13 reference the allegations of Paragraphs 61 through 75 above.

14 115. Counterdefendants assert claims of trademark and service
15 mark infringement in this action against Counterclaimants upon the
16 basis of certain U.S. Trademark Registrations, including U.S.
17 Registrations No. 1,306,562, 1,318,717, 1,307,548, 1,306, 997 and
18 898,018 (the "invalid U.S. Registrations"), for the terms "OT,"
19 "SCIENTOLOGY" and "THE BRIDGE." Those terms are descriptive or
20 generic terms for the goods or services for which Counterdefendants
21 claim to use them and are not valid or enforceable as trademarks or
22 service marks or descriptions of origin.

23 116. Counterclaimants are likely to be damaged by continued regi-
24 stration of the invalid U.S. Registrations in that Counterclaimants
25 are entitled to use those descriptive or generic terms and the prima
26 facie evidentiary effect of such registrations tends to impair
27 Counterclaimants' right to descriptively use those terms.

28 ///

1 117. The Court should exercise its power under 13 U.S.C. § 1119
2 to order cancellation of the invalid U.S. Registrations.

3 WHEREFORE, Counterclaimants pray for judgment as set forth
4 below.

5 PRAYER

6 Counterclaimants pray for judgment as follows:

7 1. The Plaintiffs' Claims, and each of them, be dismissed and
8 that Plaintiffs take nothing by them.

9 2. For a preliminary and permanent injunction enjoining and
10 restraining Counterdefendants, and **each** of them, and their officers,
11 agents, servants, employees, attorneys and all other persons who
12 act in concert with them from:

13 (a) Misrepresenting the source or authorship of
14 Scientology materials identified as NOTS or SOLO NOTS or otherwise
15 unfairly competing with Counterclaimants.

16 (b) Disparaging Counterclaimants in their trade, oc-
17 cupation or business; or otherwise unfairly competing with Counter-
18 claimants.

19 (c) Annoying or harassing employees and/or clients or
20 parishioners of the ADVANCED ABILITY CENTER or impair or obstruct
21 access, by overt surveillance or otherwise, to the ADVANCED ABILITY
22 CENTER, located at 1280 Coast Village Circle, Santa Barbara,
23 California.

24 3. For damages according to proof at trial under the First
25 through Second Counts of the Counterclaims.

26 4. For treble damages and costs of suit, including reasonable
27 attorneys' fees, pursuant to 18 U.S.C. § 1964(d), under the Fourth
28 Count of the Counterclaims.

1 5. For trebel damages and costs of suit, including reasonable
2 attorneys' fees, pursuant to 15 U.S.C. §15, under the Fifth Count
3 of the Counterclaims.

4 6. For treble damages and costs of suit, including reasonable
5 attorneys' fees, pursuant to California Business and Professions
6 Code §16750(a), under the Sixth Count of the Counterclaims.

7 7. For punitive damages in the total amount of Ten Million
8 (\$10,000,000.00) Dollars under the First, Second and Sixth Counts of
9 the Counterclaims.

10 8. For an order cancelling U.S. Trademark Registrations Nos.
11 1,306,562, 1,318,717, 1,307,548, 1,306,997 and 898,018 under the
12 Eighth Count of the Counterclaim.

13 9. For such other and further relief as the Court may deem
14 proper.

15

16

BRIGHT S. POWELL

17

18

DATED: August 5, 1985

By: Gary M. Bright

19

GARY M. BRIGHT N
Attorney for Defendants
CHURCH OF THE NEW CIVILIZATION,
HARVEY HABER, JOHN NELSON, JON
ZEGEL, VIVIEN ZEGEL, and DAVID
MAYO and Counterclaimants
CHURCH OF THE NEW CIVILIZATION,
DAVID MAYO and JON ZEGEL.

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DEMAND FOR TRIAL BY JURY

Defendants and Counterclaimants CHURCH OF THE NEW CIVILIZATION,
DAVID MAYO (AND OTHERS) hereby demand trial by jury of all issues
triable by jury in this action, including all issues raised by the
Complaint, Answer or Counterclaims.

BRIGHT & POWELL

DATED: August 5, 1985

3y: Gary M. Bright

GARY M. BRIGHT
Attorney for Defendants
CHURCH OF THE NEW CIVILIZATION,
HARVEY HABER, JOHN NELSON, JON
ZEGEL, VIVIEN ZEGEL, and DAVID
MAYO and Counterclaimants
CHURCH OF THE NEW CIVILIZATION,
DAVID MAYO and JON ZEGEL