

BUCHALTER, NEMER, FIELDS & YOUNGER  
A Professional Corporation  
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JUN 17 1999



Attorneys for Plaintiff  
The CIT Group/Equipment Inc.

SUPERIOR COURT OF THE STATE OF CALIFORNIA  
FOR THE COUNTY OF RIVERSIDE

*Sch: 12-16-99 @ 8:30 0/3*

THE CIT GROUP/EQUIPMENT FINANCING, )  
INC., a New York corporation, )  
 )  
Plaintiff, )  
 )  
vs. )  
 )  
CHURCH OF SCIENTOLOGY, a )  
California corporation doing )  
business as Golden Era )  
Productions; and DOES 1 through )  
15, inclusive, )  
 )  
Defendants. )

Case No. **329152**  
COMPLAINT FOR:  
1. BREACH OF WRITTEN  
LEASE AGREEMENT  
2. RECOVERY OF PERSONAL  
PROPERTY  
3. CONVERSION  
[General Civil]

Plaintiff The CIT Group/Equipment Financing, Inc. ("CIT")  
alleges:

GENERAL ALLEGATIONS

(Against Each Defendant)

1. CIT is and at all times mentioned herein was a  
corporation duly organized and existing under the laws of the  
State of New York, qualified to do business in the State of  
California.

1           2.       Defendant Church of Scientology (CSI) is and has  
2 times mentioned herein was a California corporation doing  
3 business in the County of Riverside, State of California. CIT  
4 is informed and believes and thereon alleges that CSI does  
5 business under the fictitious name Golden Era Productions.

6           3.       The true names and capacities of the Defendants named  
7 herein as DOES 1 through 15, whether individual, corporate,  
8 associate or otherwise, are unknown to CIT, who therefore sues  
9 these Defendants by fictitious names. CIT will amend the  
10 Complaint to show their true names and capacities when  
11 ascertained. The actions of DOES 1 through 15 as alleged herein  
12 were duly ratified by each of the Defendants, which each  
13 Defendant acting as an agent of the other within the course and  
14 scope of said agency. CIT is informed and believes and thereon  
15 alleges that each of the Defendants designated herein as DOE is  
16 liable to CIT for the debts and actions hereinafter alleged.

17                               **FIRST CAUSE OF ACTION**

18                               (For Breach of Written Lease Agreement  
19                               Against Each Defendant)

20           4.       CIT incorporates and realleges paragraphs 1 through 3  
21 above, as though set forth in full.

22           5.       On or about July 28, 1997, CIT, as lessor, and CSI, as  
23 lessee, entered into a written Equipment Lease (the "Lease")  
24 whereby CSI agreed to lease from CIT certain equipment (the  
25 "Equipment") as described therein. On or about July 28, 1997,  
26 CSI executed a written Delivery and Installation Certificate  
27 whereby it acknowledged receipt of the Equipment. A copy of the  
28



Lease is attached hereto as Exhibit "1." A copy of the Delivery and Installation Certificate is attached hereto as Exhibit "2."

6. Under the Lease, CSI agreed, among other things:

- (a) to make monthly rental payments on a timely basis;
- (b) that late charges would accrue on any payment not paid when due;
- (c) that the term of the Lease would be 60 months;
- (d) that the amount of the monthly payments would be \$5,273.08 each; and
- (e) that if CSI failed to make any payment when due under the Lease or committed any other event of default:
  - (i) CIT could declare CSI in default and exercise all of its rights and remedies under the Lease and California law;
  - (ii) CIT could declare all the unpaid rentals and all future rentals immediately due and payable;
  - (iii) CIT could take possession of any or all of the Equipment wherever located without court order or other process of law; and
  - (iv) CSI would paid CIT all of its costs and expenses, including reasonable attorneys' fees, incurred in the enforcement of its rights thereunder.

7. CIT has performed all covenants, conditions and promises required on its part under the terms of the Lease.

8. CSI has defaulted under the Lease by, among other things, failing to make the monthly payments due thereunder for May 1999 and thereafter. CIT has exercised its right to declare all the unpaid rentals to date and the future rentals immediately due and payable. As a result of CSI's default, there is due, owing and unpaid as of June 15, 1999 from CSI to CIT under the Lease the contract balance of \$194,791.09, plus late charges and interest accruing thereafter, expenses and costs, including attorneys' fees.

9. CIT has made demand for payment upon CSI, but CSI has failed and refused to pay to CIT the sum owed under the Lease.

10. Under the Lease, CSI agreed to pay CIT all of its expenses and costs, including attorneys' fees, incurred by CIT in enforcing any of its rights under the Lease. Due to the default of CSI under the Lease, CIT has been obliged to retain the law firm of Buchalter, Nemer, Fields & Younger, a professional corporation, to enforce its rights. CIT is, therefore, entitled to recover its reasonable attorneys' fees and costs of collection.

#### SECOND CAUSE OF ACTION

(Recovery Of Personal Property .

Against Each Defendant)

11. CIT repeats and realleges paragraphs 1 through 3 and 5 through 10 above, as though set forth in full.

12. CIT is informed and believes and thereon alleges that each of the Defendants claim some right, title or interest in



1 the Equipment the exact nature of which is unknown to CIT. CIT  
2 alleges that such claims of lien, right, title or interest, if  
3 any, are subsequent to, subject to and junior to CIT's ownership  
4 interest in and claim to the Equipment.

5 13. By virtue of the Lease and CSI's default thereunder,  
6 CIT has all of the rights and remedies of a finance lessor under  
7 the Commercial Code, including, without limitation, the right to  
8 immediate possession of the Equipment and the right to request  
9 the assistance of the Court to enforce the terms of the Lease.

10 14. Although CIT has demanded that CSI deliver possession  
11 of the Equipment to CIT, CSI has failed and refused to do so.  
12 CIT is informed and believes and thereon alleges that the  
13 Equipment is being wrongfully detained by the Defendants.  
14 According to the best knowledge, information and belief of CIT,  
15 the Defendants have failed and refused to deliver the Equipment  
16 to CIT in order to avoid the contractual obligations of the  
17 Lease. The Equipment has not been taken for tax assessment or  
18 fine pursuant to statute or seized under execution against the  
19 property of CIT.

### 20 THIRD CAUSE OF ACTION

21 (Conversion Against Each Defendant)

22 15. CIT repeats and realleges paragraphs 1 through 3, 5  
23 through 10 and 12 through 14 above, as though set forth in full.

24 16. At all times mentioned herein, CIT did and does have  
25 an absolute right to immediate possession of the Equipment.  
26 Despite CIT's demand, CSI and DOES 1 through 15 have failed and  
27 refused to deliver possession of the Equipment to CIT. As  
28

2 result, the Equipment is being wrongfully detained by these  
3 Defendants.

4 17. As a proximate result of the actions of CSI and DOES 1  
5 through 15, and each of them, CIT has been and will be deprived  
6 of possession of the Equipment, all to CIT's damage in a sum as  
7 yet unascertained. CIT has been and will be required to exert  
8 time, effort and expense in pursuit of its converted Equipment,  
9 all to CIT's further damage.

10 18. The acts of CSI and DOES 1 through 15 are malicious,  
11 willful and oppressive in that they are intended to cause injury  
12 to CIT or were done with a conscious disregard of CIT's rights.  
13 CIT is informed and believes and thereon alleges that the  
14 Defendants, and each of them, have intentionally failed and  
15 refused to turn over possession of the Equipment to CIT without  
16 justification. Accordingly, CIT is entitled to an award of  
17 punitive damages according to proof at trial.

18 WHEREFORE, CIT prays for judgment as follows:

19 ON THE FIRST CAUSE OF ACTION

- 20 1. For the sum of \$194,791.09, together with late charges  
21 accruing after June 15, 1999;  
22 2. For further damages according to proof at trial;  
23 3. For CIT's reasonable attorneys' fees;

24 ON THE SECOND CAUSE OF ACTION

- 25 4. That the Defendants, and each of them, deliver and  
26 relinquish possession of the Equipment to CIT and, in the event  
27 that the same cannot be returned, that CIT recover judgment  
28 against the Defendants in an amount according to proof at trial;

5. For CIT's reasonable attorneys' fees;

ON THE THIRD CAUSE OF ACTION

6. For general damages according to proof resulting from the conversion of CIT's Equipment;

7. For punitive damages according to proof at trial;

ON ALL CAUSES OF ACTION

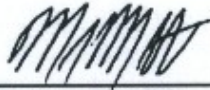
8. For costs of suit incurred herein;

9. For such further legal and equitable relief as this Court deems proper.

DATED: June 15, 1999

BUCHALTER, NEMER, FIELDS & YOUNGER  
A Professional Corporation

By: \_\_\_\_\_



MARK M. SCOTT  
Attorneys for Plaintiff The CIT  
Group/Equipment Financing, Inc.



California Woodworking  
1566 West Lincoln  
Anaheim, CA 92801

Equipment

Serial  
Number

New American M1202C Scissor Lift  
Used Hess Case Clamp  
Used Accu-Systems DS-1 Dowel Glue & Insert Machine  
New Manta ERC-511L Air Compressor  
Used SCMI M3 Dip Chain Gang Rip  
Used Murphy-Rodgers MRM-16 Dust Collector

New Porter Cable 9690 Routers  
New Jet DHC15T4N Pancake Air Compressor  
New SCMI Hydro 3200 Table Saw with Guard  
New SCMI Selectra 12E Edge Bander  
New SCMI Superset 23 with Grinder with molder  
New SCMI UNO RCS Wide Belt Sander

New WorkRite 4000 Wood Welder  
SCMI Fixed Air Floation Table #1037312020L Alpha 32  
New Rixer R200 Frame Assembly , easel and single spindle drill tu  
SCMI Mobile Air Floation #103731070SB for Alpha 32

THIS SCHEDULE "A" IS ATTACHED TO AND MADE PART OF AN EQUIPMENT LEASE  
AGREEMENT BETWEEN CHURCH OF SCIENTOLOGY INTERNATIONAL, INC GOLDEN ERA  
PRODUCTIONS AND The CIT Group/Equipment Financing, Inc. , LESSOR, DATED

July 28, 1997

LESSOR:  
The CIT Group/Equipment Financing, Inc.

LESSEE:  
CHURCH OF SCIENTOLOGY INTERNATIONAL, INC *XD*  
DBA  
GOLDEN ERA PRODUCTIONS

BY: *[Signature]*  
TITLE: Agent

*Thomas J. [Signature]*  
BY: *[Signature]*  
TITLE: Assistant Secretary