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FILED

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OCT 26 1984

CLERK, U.S. DISTRICT COURT
 CENTRAL DISTRICT OF CALIFORNIA
 BY

UNITED STATES DISTRICT COURT
 CENTRAL DISTRICT OF CALIFORNIA

HOWARD D. SCHOMER,)
)
 Plaintiff)
)
 v.)
)
 L. RON HUBBARD, AUTHOR)
 ' ERVICES, INC., DAVID)
 MISCAVIGE and PAT BROEKER,)
)
 Defendants)

CASE NO. CV- 84 8335
 COMPLAINT FOR DAMAGES
 (JURY TRIAL DEMANDED)

I.

GENERAL STATEMENT OF CLAIM

1. This is an action for damages due to the fraudulent representations made to plaintiff by defendant Hubbard (hereinafter "Hubbard") and his agents. Plaintiff also seeks damages for violations of his civil rights, violations of the Fair Labor Standards Act, and common law intentional torts including false imprisonment, intentional infliction of emotional distress, assault and battery, which were committed against him when he was an employee of defendant Author Services, Inc. (hereinafter "ASI"), a California

corporation controlled by Hubbard.

II.

PARTIES

2. Plaintiff, Howard Schomer is a citizen of Colorado currently domiciled in Boulder, Colorado.

3. Defendant, Lafayette Ronald Hubbard, (a/k/a L. Ron Hubbard) is residing and domiciled in Southern California. His last known residence and domicile was in Hemet, California and Hubbard has stated that he desires his present whereabouts to be unknown. Although plaintiff does not know his precise address, Hubbard can be notified through:

- a) his attorney, Sherman Lenske of Lenske, Lenske, Heller & Magasin, Woodland West Building, Suite 315, 6400 Canoga Avenue, Woodland Hills, California;
- b) Lyman Spurlock, his literary and business agent through defendant ASI, with principal place of business at 6464 Sunset Boulevard, Los Angeles, California;
- c) defendant David Miscavige, his trusted associate and good friend, through ASI;
- d) defendant, Pat Broeker, his trusted associate and good friend;
- e) the Church of Scientology of California, Inc. (hereinafter "CSC"), a California corporation with a principal place of business at 5930 Franklin Avenue, Los Angeles, California.

4. Defendant, ASI, is a California for profit corporation with a principal place of business at 6464 Sunset Boulevard, Los Angeles, California.

5. Defendant, David Miscavige, is a domicile of California. His last known residence was in Hemet, California, at a compound known as Gilman Hot Springs. Miscavige is the Chairman of the Board or General Manager of ASI.

6. Defendant, Pat Broeker, is a domicile of California, and is currently residing in hiding with Hubbard.

JURISDICTION

7. Jurisdiction of this court exists pursuant to 28 U.S.C. 1332, diversity of citizenship, the matter in controversy exceeding \$10,000 exclusive of interest and costs and the parties being citizens of different states. In addition, this court has jurisdiction to hear plaintiff's civil rights claim, (Count II), pursuant to 42 U.S.C. §1985 and 28 U.S.C. §1343(1) and plaintiff's Fair Labor Standards Act (Count VII) claim pursuant to 29 U.S.C. §216(b).

STATEMENT OF CLAIMS

8. Hubbard is the founder and/or controller of a variety of corporations, both profit and non-profit, related to the "Church of Scientology." These corporations include,

but are not limited to, CSC, Religious Technology Center (RTC), Church of Scientology International, Flag Services Organization, Inc. (FSO), Advanced Organization Los Angeles (AOLA), American Saint Hill Organization (ASHO), Operation and Transport Corporation (OTC), Commodore's Messenger Organization International (CMO Int.), and Religious Research Foundation (RRF). ASI is also a corporation created and controlled by Hubbard. The above corporations and other corporations and organizations of the Church of Scientology (hereinafter, collectively the "Scientology Organizations") act as Hubbard's agents.

9. Hubbard is the alter ego of the Church of Scientology and the Scientology Organizations. He runs the Scientology Organizations in all ways through his role of Commodore and various branches which are loyal to him and report to him, such as the Sea Organization and the Commodore's Messenger's Organization. Hubbard's control of the Scientology Organizations manifests itself in many ways, including:

- a) The directors and officers of the controlling Scientology corporations sign written resignations in advance of their appointment as directors and officers. Whenever any of these directors or officers contest the orders or authority of Hubbard, they were and are removed from their capacity and new agents who comply with Hubbard's orders and policies are appointed.
- b) The Scientology Organizations all enforce and adhere to policies written and copyrighted by

Hubbard, including the Fair Game Doctrine. The Fair Game Doctrine states:

"Enemy: Fair Game, may be deprived of property or injured by any means by any Scientologist without any discipline of the Scientologist. May be tricked, sued or lied to or destroyed."

If any of the officers or directors of any Scientology Organization fail to obey the orders of Hubbard, such officers or directors are subject to being declared "suppressive persons" and subsequently attacked pursuant to the Fair Game Doctrine.

- c) Each week the Scientology Organizations prepare reports which are sent to CMO Int., a Scientology organization which Miscavige heads. CMO Int. prepares its own report based on those submitted to it. Each week Miscavige reviews this report, ASI's report, and the weekly report of the Watch Dog Committee (WDC) and gives them to Hubbard. Hubbard then issues orders to Broeker which are relayed to Miscavige and carried out throughout the Scientology Organizations.

COUNT I -- FRAUD

(Against Defendant Hubbard Alone)

10. Between May 1968, when plaintiff was first introduced into Scientology and September 1970, when plaintiff joined the Sea Organization, Hubbard and his agents made the following representations, both orally and in writing to

plaintiff:

1. That Hubbard was a nuclear physicist who had conducted over 30 years of scientific research into the nature and causes of disease, the nature of the mind, and the nature of human organizations and groups;
2. That Hubbard had served for four years in combat in the United States Navy during World War II, that he was one of the most highly decorated officers during the War, that he was severely wounded in combat, that he was twice pronounced medically dead and that he cured himself with a process called Dianetics which was based upon his extensive years of scientific research supported by degrees in science which he held from various universities;
3. That Hubbard's health was perfect as a result of personal applications of the principles of Dianetics;
4. That L. Ron Hubbard was a person of unquestionable integrity, motivated solely by benevolent purposes who had not engaged in any illegal, criminal or antisocial activities;

5. That Hubbard was a family man with close relationships to his wife and children who was opposed to abortion, divorce and marital infidelity.
6. That all the corporate entities of the Church of Scientology of California were operating as tax-exempt non-profit legitimate corporations;
7. That all Scientology corporations and agents of such corporations never committed any criminal acts or any acts in violation of the policies and rulings of the Internal Revenue Service and that no part of the net earnings of any Scientology organizations inured to the benefit of Hubbard or his agents;
8. That none of the policies or procedures of any Scientology organization were contrary to law or to public policy and that no part of the earnings of any Scientology organization was used for illegal purposes;
9. That all information obtained during "auditing" was strictly confidential.

These representations were made repeatedly by Hubbard and his agents to plaintiff until he left Scientology in December

1982.

11. Plaintiff also read the pamphlet "What Your Fees Buy," by Hubbard. In that pamphlet Hubbard represents that he was never paid for the "researches of Dianetics and Scientology," that he forgave the Scientology organizations the 13 1/2 million dollars that it owed him for services rendered, that he did not collect his 10% author's royalties fees for lectures, loans and out-of-pocket expenses the Scientology Organizations owed him, that he donated the royalties of his first book, a best seller, to the Scientology Organizations, that he does not collect the paperback royalties on that book, and that he draws "less than an org staff member." In summary, Hubbard claimed "the fees you pay for service do not go to me."

12. The above representations are false. Between Nov. 1982 and June 1984 plaintiff learned the representations made in paragraph 10 were false in the following particulars:

1. Hubbard received a failing grade in the only physics course that he took at George Washington University and was dismissed for poor academic performance after attending for one and one-half semesters;
2. The only degree Hubbard ever received was from a

mail-order college which he created or owned in the early 1950's;

3. Hubbard did not serve in combat during World War II and was relieved of duty on at least three occasions while serving in the United States Navy;
4. During the end of his military service, Hubbard was a psychiatric in-patient at Oak Knoll Military Hospital;
5. Hubbard was never pronounced dead and never received any war wounds;
6. Hubbard has, from at least 1945 to the present, suffered from chronic duodenal ulcers, arthritis, bursitis, skeletal weakness, diabetes, pulmonary embolisms and a host of other diseases and ailments;
7. Hubbard married his second wife, Sara Northrop, while still married to his first wife, Margaret Louise Grubb. Hubbard practiced ritual abortions on both his first and second wives and attempted to murder his second wife.
8. Hubbard was arrested and convicted of petty theft in 1947.

9. Those Dianetics and Scientology corporations formed by Hubbard were not formed for benevolent purposes but were conceived for the stated intention to solely make money through deceit and misrepresentation;

10. Hubbard knew and stated that Dianetics and Scientology were formed as a religious front to enable Hubbard to make huge sums of money.

12. As an employee of ASI from March 1982 until November 1982, plaintiff learned the representations made in the Hubbard pamphlet "What Your Fees Buy" were deliberately misleading and false in the following particulars:

1. ASI skimmed millions of dollars from the Scientology Organizations for Hubbard. From March 1982 to October 1982, Hubbard's personal estate within ASI grew from 10 million dollars to over 40 million dollars;

2. ASI billed the Scientology Organizations for services it allegedly performed for the Scientology Organizations, including their management. Some of this money was laundered through the Los Angeles law firms of Lenske, Lenske, Heller and Magasin; and Peterson and Trabish;

3. Hubbard collected the royalties he claimed he had forgiven from the Scientology Organizations. These included paying Hubbard for the use of Saint Hill Manor in England, buying Hubbard's personal possessions for a future museum, paying Hubbard to set up a museum where he and his family once lived, and paying royalties for films, course materials and tapes Hubbard had created. Hubbard diverted over 100 million dollars from Scientology Organizations to bank accounts controlled by him between 1972 and 1981;

4. In March 1982, Hubbard received over \$200,000 in royalties each week from the Scientology Organizations. This figure increased until some weeks Hubbard received over 1 million dollars a week;

5. It was Hubbard himself who require ASI to find ways for him to get as much money as he could from the Scientology Organizations. At the same time he required ASI to hide his receipt of these moneys so that the non-profit Scientology Organizations would not lose their tax-exempt status due to inurement;

6. Millions of dollars of money from Scientology Organizations were transferred to bank accounts which Hubbard controlled in Liechtenstein, Switzerland and

Luxembourg. Receipts and documents "legalizing" these transfers were drawn up after the fact.

13. In reasonable reliance upon the representations made to him, plaintiff devoted thirteen years of his life to Hubbard and the Scientology Organizations, spent approximately \$20,000 on Scientology services, sold his duplex apartment in Manhattan Beach, California below market price, quit his job which payed \$15,000-\$20,000 a year in 1969, sold his car and all his possessions, left his nine-year old daughter to be raised by acquaintances, worked for Hubbard for twelve years working from 9:00 a.m. to midnight 7 days a week, for \$12.00 to \$25.00/week, resided for long periods in substandard living quarters infested with rats and cockroaches on Hubbard's orders and pursuant to his policies. Plaintiff suffered such actions because he had been deceived as to Hubbard's qualifications and abilities and the true nature of Hubbard and the Scientology Organizations. The direct damages plaintiff suffered due to the misrepresentations made to him, including the services rendered, services purchased in reliance on Hubbard's representations, opportunities forgone, and indignities suffered is approximately \$500,000.

14. At the time the representations were made to plaintiff and others, Hubbard knew that such representations were false. The representations were part of an elaborate scheme to obtain monies and assets by creating organizations for allegedly tax-exempt purposes and, subsequently, ordering

the payment of such assets for his personal use. To implement such a plan, Hubbard organized Scientology Organizations throughtout the world that have fraudulently obtained hundreds of millions of dollars since their creation and plaintiff should be awarded exemplary damages from Hubbard in the amount of \$10,000,000.

COUNT II -- VIOLATION OF 42 U.S.C. 1985(3)

(Against All Defendants)

15. Plaintiff realleges paragraphs 1 - 14 of this complaint.

16. In March 1982, plaintiff became an employee of ASI. ASI is a for profit California corporation which handles the personal finances of authors. ASI handles all financial transactions and personal business for Hubbard, and sends reports to him at least once a week.

17. Plaintiff was the Treasury Secretary for ASI. His duties included handling bank accounts, opening new accounts, conducting and overseeing audits of Hubbard's assets, keeping financial records, paying bills, monitoring investment returns (but not actually managing or selecting investments), and doing banking chores. Plaintiff's duties related solely to the financial managment of ASI's and Hubbard's money, and he had nothing to do with the allegedly religious activities and doctrines of Hubbard and the Scien-

tology Organizations.

18. During the time plaintiff was an employee of ASI he learned of the misrepresentations in "What Your Fees Buy" and that many of the other representations made to him were false. Consequently, the plaintiff developed serious differences of opinion about the practices and doctrines of the Church of Scientology from those of his employers. He made some of those differences public.

19. Because of plaintiff's differing beliefs concerning Scientology, three employees of ASI, Jesse Prince, Terri Gamboa and Douglas Hay, woke the plaintiff up at approx. 4:00am on a Sunday morning, took him from his room and subjected him to a "sec check." A sec check involves connecting the person to a galvanic skin receptor and intensively questioning the individual about his job, mistakes he has allegedly made, crimes he has allegedly committed, actions he took or failed to take, and his feelings toward L. Ron Hubbard. It is the equivalent of a lie detector examination.

20. All three individuals interrogated plaintiff and accused him of having committed crimes against ASI. The examination lasted three or four hours. Plaintiff had no choice but to submit to the examination, or lose his job. Plaintiff was not permitted to leave until the sec check was completed.

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21. Plaintiff was subjected to a second involuntary sec check on the evening of October 28, 1982. Plaintiff was forcibly taken to a small room, strapped to the galvanic skin receptor, and interrogated by several individuals including Miscavige, Norman Starkey, the director of legal affairs of ASI, Lyman Spurlock, the president of ASI; Terri Gamboa, Nan Starkey, and the entire staff of ASI. This sec check lasted over 10 hours, from 10:00 p.m. to 8:00 a.m. During this time, plaintiff was not permitted any food or water. Nor was he permitted to go to the bathroom or rest. Plaintiff was accused of being a plant for Scientology enemies, working for the FBI and the CIA and having stolen money from Hubbard and ASI.

22. During this second sec check, Miscavige spat tobacco juice into plaintiff's face, as did Norman Starkey. Miscavige also told plaintiff that "I am going to fix you," and threatened that if he did not "come clean," he would see that the plaintiff was thrown in jail by having "witnesses" falsely accuse plaintiff of having committed crimes. The same threats were repeated by Starkey.

23. After this marathon "gang bang sec check," plaintiff was placed under guard for 2 days. He was also locked up much of this time. Plaintiff was not able to leave or even contact the outside world. Plaintiff escaped after two days with only the clothes on his back, and went to Miami, Florida.

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24. Ten days later, on or about November 10, 1982, plaintiff returned to CSC headquarters because of his own concern for the security of his daughter, who was also a Scientologist. Plaintiff also returned to get his belongings back, which were still in the possession of ASI and to straighten out his affairs. On orders from ASI, plaintiff was once again placed under guard and not permitted to travel. During this time, plaintiff was forced to sign a resignation letter which contained a clause purportedly releasing ASI, Hubbard, and the Scientology Organizations from liability. This purported release is not valid due to duress and lack of consideration. Plaintiff ultimately escaped the CSC compound on December 23, 1982 and went to Boulder, Colorado.

25. All actions taken against plaintiff were taken pursuant to the orders and policies of Hubbard.

26. After plaintiff escaped the ASI compound on December 23, 1982, he was afraid to report what happened to the authorities or the courts because he knew such action would subject him to the Fair Game Doctrine, pursuant to which he could be lied to, cheated, stolen from or destroyed. Plaintiff was also fearful because of threats made to him that the defendants would have him falsely thrown in jail and would retaliate against his daughter, who is still a Scientologist. Because he was afraid for his life, plaintiff did not make public what happened to him until he testified before California Superior Court Judge Breckenridge in the

case of Church of Scientology of California v. Armstrong,
California Superior Court, Los Angeles County, No. C 420 153.

27. Because of their differences concerning the practices and policies of the Church of Scientology, defendants conspired to, and succeeded in, depriving plaintiff of one of the privileges and immunities granted to him under the United States Constitution, the right to travel among the states, in violation of 42 U.S.C. §1985(3). By confining plaintiff in locked rooms and keeping him under guard, they prohibited him from exercising this right. Further, by assaulting plaintiff, threatening the security of his daughter, and threatening to have him falsely placed in jail through perjured testimony, defendant further intimidated him from exercising his right to travel. Defendant's behavior was intentional and willful causing plaintiff to suffer grave mental and emotional distress and plaintiff should be awarded \$5,000,000 in compensatory damages and \$50,000,000 in exemplary damages.

COUNT III - EMPLOYMENT DISCRIMINATION

28. Plaintiff realleges paragraphs 1-27 as stated above.

29. Because of their differences concerning the practices and policies of the Church of Scientology, defendants removed plaintiff from his job, humiliated plaintiff, made him undergo an unlawful lie detector examination and generally

harassed him on the job in violation of the California Equal Opportunity Laws.

30. Plaintiff filed a complaint with the Department of Fair Employment and Housing on June 6, 1984, and received Notice of Verification of Attempt to File.

Plaintiff would have filed his complaint earlier, but was fearful of retaliation by the defendants pursuant to the Fair Game Doctrine and the threats defendants made to have him put in jail and harm his daughter.

31. Because of the discriminatory actions taken against him, plaintiff should be awarded \$ 9,400.00 for lost wages and \$5,000,000 for the mental and emotional distress.

COUNT IV - ASSAULT AND BATTERY

32. Plaintiff realleges paragraphs 1-31 as stated above.

33. Defendants assaulted and battered plaintiff by forcibly taking him into an interrogation room, and strapping him into a galvanic skin receptor. During the second sec check, defendant Miscavige spat tobacco juice in plaintiff's face, as did Norman Starkey, an employee of ASI. These assaults and batteries were committed pursuant to the orders and policies of Hubbard.

34. Plaintiff has been damaged in the amount of \$1,000,000 by the above actions. Further, as defendants' actions were intentional and willful, plaintiff should be awarded \$10,000,000 in punitive damages.

COUNT V - FALSE IMPRISONMENT

35. Plaintiff realleges paragraphs 1-34 as stated above.

36. Defendants falsely imprisoned plaintiff by forcibly taking him to an interrogatrimon room and sec checking him against his will, locking him in a room for two days under guard after the second sec check, and by keeping him under guard and restricting his movements from approximately November 10, 1982 to December 23, 1982. There was no justification for this intentional confinement.

37. Plaintiff has been damaged by defendant in the amount of \$5,000,000 and because of the intentional and willful nature of plaintiff's actions should be awarded \$50,000,000 in exemplary damages.

COUNT VI - INTENTIONAL INFLICTION OF EMOTIONAL DISTRESS

38. Plaintiff realleges paragraphs 1-37 as stated above.

39. All of the events described in paragraphs 15-36 of this complaint were intentionally performed by the

defendants pursuant to the orders and policies of Hubbard in order to inflict mental and emotional distress on the plaintiff

40. After plaintiff escaped the ASI compound the second time, defendants and their agents ordered plaintiff's daughter to "disconnect" from plaintiff. Plaintiff's daughter was ordered, against her will, to write to plaintiff and inform him that she would not communicate with him at all unless he rejoined Scientology. This was done in order to try to prevent the plaintiff from publicizing the torts committed against him or seeking legal redress.

41. Later, in 1984, when plaintiff was contemplating testifying against Scientology in the Armstrong case, defendants once again attempted to use plaintiff's affection for his daughter in order to prevent plaintiff from giving his testimony. Plaintiff's daughter was ordered to re-establish contact with her father in order to pressure him into not testifying.

42. Defendant's attempts to use plaintiff's love for his child into a tool for silencing evidence, as well as the other actions described above which defendants have taken against plaintiff, are extreme and outrageous, beyond all bounds of decency and utterly intolerable in a civilized society. Defendant's extreme and outrageous conduct has caused plaintiff severe emotional distress which no reasonable person could be expected to endure.

43. Plaintiff has been damaged by the defendant on this cause of action in the amount of \$10,000,000, and should be awarded \$100,000,000 in exemplary damages because of the intentional and willful manner in which the defendants have behaved.

COUNT VII - VIOLATIONS OF THE FAIR LABOR STANDARDS ACT

43. Plaintiff was employed by ASI from March 22, 1982 until October 30, 1982. He was paid \$160.00 a week, before taxes, and had to pay for his meals and lodging. Plaintiff worked close to 100 hours a week for ASI.

45. In violation of 29 U.S.C. §207(a) ASI did not pay plaintiff at a rate not less than one and one half times the regular rate at which he was employed for those hours when he worked more than 40 hours a week.

46. ASI owes plaintiff \$9,400 in back wages for the weeks when he worked over forty hours a week, and an additional \$9,400 as statutory liquidated damages and a reasonable attorney's fee pursuant to 29 U.S.C. §216.

RELIEF REQUESTED

WHEREFORE, plaintiff prays as follows:

1. On his First Cause of Action for general damages of \$500,000 and exemplary damages of \$50,000,000.

2. On his Second Cause of Action for general damages of \$5,000,000 and exemplary damages of \$50,000,000 and a reasonable attorney's fee.

3. On his Third Cause of Action for general damages of \$9,400.00 and exemplary damages of \$5,000,000 and a reasonable attorney's fee.

4. On his Fourth Cause of Action, general damages of \$1,000,000 and exemplary damages of \$5,000,000.


5. On his Fifth Cause of Action, general damages of \$5,000,000 and exemplary damages of \$50,000,000.

6. On his Sixth Cause of Action, general damages of \$5,000,000 and exemplary damages of \$50,000,000.

7. On his Seventh Cause of Action, back wages of \$9,400, liquidated damages of \$9,400 and a reasonable attorney's fees.

DATED: October 25, 1984.

BRUCE M. BUNCH
JULIA DRAGOJEVIC


By 
BRUCE M. BUNCH
Attorneys for Plaintiff
Howard Schomer

DEMAND FOR JURY TRIAL

Plaintiff hereby demands trial by jury pursuant to the Federal Rules of Civil Procedure, Rule 38(b) and Local Rule 3.4.10.1.

Dated: October 25, 1984.

BRUCE M. BUNCH
JULIA DRAGOJEVIC

By 
BRUCE M. BUNCH
Attorneys for Plaintiff
Howard D. Schomer