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I, STACY YOUNG, declare as follows:

- The matters set forth herein are of my own personal knowledge and I could and would competently testify thereto.
- I was a member of the Church of Sceintology for more than 14 years from January, 1975 until July, 1989. From October, 1975 until I left, I was a member of the Sea Organization, the most dedicated group of Scientologists in the entire organization. I spent most of my time from 1978 until 1989 in a highly confidential section of Scientology management which was known as the Guardian Office until 1982 and is today called the Office of Special Affairs. This section of Scientology is responsible for dealing with all external public relations, all matters relating to civil litigation or criminal matters, all governmental relations such as the IRS, and all critics of Scientology.
- 3. I have firsthand knowledge of the establishment of the corporate structure of Scientology as it now exists, including the so-called "law firm" of Bowles & Moxon, having worked with the staff who were responsible for creating it. The purpose of this activity was to create an impenetrable, legally defensible network of corporations such that neither the IRS nor any other legitimate agency of government could "pierce the corporate veil" of Scientology organizations, thereby freeing Scientology management to transfer funds between organizations without concern for the law.
 - I am also familiar with the absolute authority which

1 the highest levels of Scientology management exercise over every aspect of Scientology and Scientology-related organizations, whether "church" or "secular," and the ruthlessness with which any sign of disloyalty or disaffection is handled. This control extends without any question to the attorneys and all other staff who are part of Bowles & Moxon.

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- The law firm of Bowles & Moxon is actually the in-house 5. attorney unit of the Church of Scientology and it is utterly controlled by the Scientology hierarchy, headed by David Miscavige, the managing agent of the Church of Sceintology. Neither Moxon nor Bowles takes any action whatsoever that is not ordered or approved by the church command line, which is via the Religious Technology Center (hereinafter "RTC") and "OSA" to the in-house attorney unit. RTC is the current command unit for all of Scientology.
- When David Miscavige took over full control of the Guardian Office (hereinafter "GO"), he also took over control of all the attorneys who had been hired by the GO's Legal Department to carry out Hubbard's policy of using the courts to harass and intimidate Scientology's critics.
- 7. At that time none of the church attorneys were Scientologists, and Miscavige found it extremely irritating to have to deal with people who were not under his complete control.
- It was after Judge Paul Breckenridge's scathing indictment of Hubbard and Scientology in his decision in the 1984 Gerry Armstrong case and Justice Latey's equally disastrous decision in a child custody case in England that Miscavige decided to create the in-house attorney unit, now known to the

outside world as the law firm of Bowles & Moxon.

Miscavige created this unit pursuant to a February 18, 1966 policy letter entitled Attacks on Scientology (Continued), in which Hubbard stated the following:

> One of the actions that has not been effective in handling attacks on Scientology has been] "Hiring expensive outside professional firms. . . .

> [One of the actions that has been positive in stopping these attacks has been] "Having our own professional firmly on staff (but not halfway on staff). . . .

"In the first group [of actions] you can see large possible outlays to professional firms, attorneys, accountants. This is money utterly wasted. They flop and we have to do it all ourselves anyway."

Rick Moxon was a long-term Scientologist and GO staff 10. He had been the Assistant Guardian for Legal Affairs in 20 Washington, D.C., for many years (indeed, he was named as an unindicted co-conspirator when Hubbard's wife Mary Sue and 11 GO 22 staff members were convicted for theft of government documents in 1978). He took a break from his staff duties to go to law 24 school, which he attended specifically so that he could become an 25 attorney for the church. When he passed the bar he became the 26 | first of a new breed: an attorney totally dedicated to the Scientology doctrine of using the courts to harass Scientology's enemies.

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11. He was then transferred to the in-house attorney unit, which is part of "OSA" US. Tim Bowles, another dedicated Scientologist, was recruited to close his law practice in Portland and became an in-house attorney for "OSA".

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- just Moxon and Bowles, and the legal staff of OSA US provided their administrative assistance. The in-house attorney unit offices are right above the OSA US offices in the big blue building at Sunset and Berendo. OSA US is on the third floor, and the in-house attorney unit is on the fourth floor. The official address given for Bowles and Moxon is nothing more than a mail drop and a front so that people will not know that their offices are really in the big blue Scientology building. When I was in OSA I spent quite a bit of time in the in-house attorney unit.
- 13. Bowles and Moxon were expected to come to OSA staff musters every day, and they were expected to attend the OSA weekly staff meetings on Friday night. They submitted purchase orders to OSA financial planning, and were in every way considered to be an extension of the OSA legal department.
- 14. Moreover, Bowles and Moxon take their orders from the RTC/OSA command lines. They do not do anything that is not approved by their RTC and OSA seniors. They do not handle any cases that are not related to Scientology.
- 15. David Miscavige has complete authority over every single action that Bowles and Moxon take. Marty Rathbun runs OSA and the in-house attorney unit for Miscavige, so Rathbun also has complete authority over them. If Bowles or Moxon do not do

exactly what Miscavige and/or Rathbun tell them to do, they risk being expelled from Scientology forever. For a Scientologist, this is a fate worse than death, so Bowles and Moxon do exactly what they are told to do, regardless of whether it is in keeping with the rules and regulations of the court. This is why their behavior appears to be so bizarre at times; they are following the orders of their seniors Miscavige and Rathbun, neither one of whom is an attorney and neither one of whom has any respect for the law. Scientologists believe that the Scientology justice system is the only valid form of justice and that the U.S. court system is, as Rathbun put it in a recent declaration, "barbaric."

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this day of January, 1994 at Corona del Mar, California.

STACY YOUNG

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