

1. I stopped producing and dumped my hat.
2. Around 9-3-94 at my desk up by reception at AMC. I had been playing a production game to meet a certain target of 10 cards in every mailing for 1994. I had accomplished that target and then I stopped playing the game, I stopped producing or moving towards the direction of any goal. I made calls randomly and without any real intention of doing anything. I became a loafer and spectator to the game and did not tell anyone. I refused to apply conditions. My stats crashed. I required heavy intervention by my senior who could do nothing with me because the truth was I had blown my post. The predict was false based on my production because I wasn't really being a team member at all. My whole group was mislead. When it got down to the brass tacks of production in November in order to take off for the Christmas holidays the whole sales team was overburdened unnecessarily because of my treason, they all thought I was on their team so they completely missed that I was the one holding the stats down. It became a red herring and we did ultimately pull off the target but it was under heavy stress and pain because of what I had done.

1. I knowingly created an overt product with Roy Matlock.
2. September 28, 1994 at my desk near reception at AMC. We were planning a trip to St Pete for a training seminar with Ben and needed to be upstat in order to go. I had dumped my hat the week earlier and didn't tell anyone. Roy Matlock called me at 4:30 on the day we were scheduled to leave. He told me he was ready to mail in every single mailing we had going out between then and the end of the year. I thought it was a big order (\$50,000) and questioned to myself his ability to pay for it. He did not ever answer my Q he just said it would be "no problem". I wrote up the paperwork and submitted it to him. I announced it to the ED and I recall doing so thinking I was justifying my actions somehow. Once she acknowledged me I made her responsible for the cycle and dropped my own in handling it by the book. We took time off on a false stat because the order ended up completely cancelling. I personally ended up spending \$5000 in expenses because Roy did not pay. My immediate senior spent hours of unnecessary time going through all sorts of extra actions to work around this overt product - there were mail date changes, price quotes needed because of the special nature of his order (he had a hole punch in the card), the art department spent a few hours tracking down data on this due to last minute changes, the predict in the mailings was completely thrown off and was false. Hours of production time was wasted in administration for something which ended up being cancelled. Hours of production time (probably 15 of my own personally) was lost in chasing, lecturing, writing and trying to turn this overt product into a real product. Roy Matlock is probably sick or dying because I let him go criminal (he has his own responsibility but I had the tech to salvage him), another one of Roy's associates was robbed \$5000 of his own money because Roy used his money to try and pay for our mailing and then Roy ended up not forwarding the leads so that man was just ripped off too.

1. I took the Roy Matlock order without doing the ending checklist standardly and violated policy.

2. Friday, September 28, 1994 at my desk near reception at AMC. Roy Matlock called and ordered \$50K worth of mailings. He had a history of slow pay earlier and we helped him out by paying for his mailing when his son was terminally ill in Dec 93. I knew there was something out on the cycle simply because he was ordering so much with no effort and no real responsibility for paying for it. When I asked him how he would pay for it he just said "it's no problem" and I took him at his word. I had no reason to trust him yet I did. There are exact points to be handled on the ending checklist with regards to payment which I ignored and did not follow. When we discussed his payment he told me he was waiting for money from a cycle that should come down anyday. I did not get the complete details at that point and accepted his order knowing he did not have the money in his own account to pay for it. There was never a firm agreement on when he would pay. It was always, when his money came in. Based on that alone the order should never have been accepted. He did not have a history of payment to accept such an arrangement. I turned in \$50K worth of orders that ended up all being cancelled except for the few I personally paid for. Hours of administration time was spent by staff processing invoices, inputting data into the art computers, logging, tracking, handling - there were about 25 separate orders to be processed and they were all processed. There were probably 30 or better hours spent on this cycle from the art department alone. The dir art probably spent another 10 or so hours on calls to MGA and getting me special pricing because of the nature of his card (hole punched). This is in addition to the other events which are recorded in the earlier overt above.

1. I dumped my hat as sales person at AMC and crashed my stats.

2. In October of 1993 at the bank building, it was where my desk was facing out towards the tellers in the bank. I had set a secret target for myself on all the state mailings and had accomplished it and did not tell anyone. I had stopped producing and was basically just spending my post time patting myself on the back for what a good job I had done. No one knew I had dumped my hat. The predict on production was not able to be fully done. My senior spent at least 5 hours trying to help me uncover my out ethics sit (of which I was not giving up) so her time was wasted. My team members were betrayed in thinking that I was playing on their team and was producing what I had promised when in fact I was not. I wasted probably at least \$30,000 in sales with my back patting instead of selling. There was added stress and sweat added to our year end production as we were on a very tight TM to get out of Dallas and come to Flag. Each and every staff member was affected as a result of my dumping my hat because they each had to work harder to pick up the production I was not taking responsibility for.

1. I was not applying conditions even though I lied and said I was.

2. In October of 1993 in Dallas at my job at AMC. My stats had crashed. I had a most definite out ethics situation happening on my

FSQ 00563

2D that I refused to give up. I blew from my post and did not handle the out ethics scene until the ED had to personally become involved. Many hours were spent by the ED and ACO (DeDee) trying to help me get the condition straight. I was not being honest about my scene so all the time spent was wasted. This was at a very critical time in the game to come to Flag so added worry, stress and confusion to the senior exec lines (I know that when the income is down it does concern all partners and execs in the corporation) so not just the ED was effected but Jeff, David, DeDee were also distracted and were stressed. This resulted in addition to what is written above in earlier o/ws.

1. I had an out ethics situation going on on my 2D which I was hiding that was creating a huge flap on my 3D.

2. In October 1993 I had met a guy at Wild West, where I danced frequently and started a 2D with him without telling any of my friends. I withheld it as I knew the activity did not align with my groups goals and purposes and it was in fact a promiscuous act only, not a real 2D game. My stats crashed in October date coincident with this out ethics situation and I refused to give it up. Instead I continued to hide the relationship and have sex on a complete withhold. In addition to what is stated above, this guy was given a bad impression of Scientology and what it's group members represent. I set a very bad example of what Scientology represents. He was ARC broken at not having understood how we were out-ethics so my ability to honestly and ethically disseminate to him was lost.