

**Application for Recognition of Exemption
Under Section 501(c)(3) of the Internet Revenue Code**

OMB No. 1545-0056

if exempt status is
approved. This application
will be open for public
inspection.

Read the instructions for each Part carefully.

A User Fee must be attached to this application.

If the required information and appropriate documents are not submitted along with Form 8718 (with payment of the appropriate user fee), the application may be returned to you.

Part I Identification of Applicant

1a Full name of organization (as shown in organizing document) Dianetics Centers International		2 Employer identification number (If none, see Instruction*.) 95 4348041
1b c/o Name (if applicable)	3 Name and telephone number of person to be contacted if additional information is needed Thomas C. Spring (202) 588-8488	
1c Address (number, street, and room or suite no.) 6331 Hollywood Blvd., Suite 500		
1d City or town, state, and ZIP code Los Angeles, California 90028		4 Month the annual accounting period ends 31 December
5 Date incorporated or formed November 4, 1991	6 Activity codes (See instructions.) 004 029	7 Check here if applying under section: a • 501(e) b D 501(f) c D 50100
8 Did the organization previously apply for recognition of exemption under this Code section or under any other section of the Code? D Yea 3 No If "Yes," attach an explanation.		
9 Has the organization filed Federal income tax returns or exempt organization information returns? • Yes C No If "Yes," state the form numbers, years filed, and Internal Revenue office where filed.		

10 Check the box for your type of organization. BE SURE TO ATTACH A COMPLETE COPY OF THE CORRESPONDING DOCUMENTS TO THE APPLICATION BEFORE MAILING.

- a ☒ Corporation— Attach a copy of your Articles of Incorporation, (including amendments and restatements) showing approval by the appropriate State official; also include a copy of your bylaws. Exhibits A & B.
- b ☐ G Trust— Attach a copy of your Trust Indenture or Agreement, including all appropriate signatures and dates.
- c ☐ D Association— Attach a copy of your Articles of Association, Constitution, or other creating document, with a declaration (see instructions) or other evidence the organization was formed by adoption of the document by more than one person; also include a copy of your bylaws.

If you are a corporation or an unincorporated association that has not yet adopted bylaws, check here. • ☒ D

I declare under the penalties of perjury that I am authorized to sign this application on behalf of the above organization and that I have examined this application, including the accompanying schedules and attachments, and to the best of my knowledge it is true, correct, and complete.

Here  (Signature)  (Signature) 8/18/93 (date)
Here (Title or authority of signer) of signed (Date)

For Paperwork Reduction Act Notice, see page 1 of the instructions.

Complete the Procedural Checklist (page 7 of the Instructions) prior to filing.

Part II Activities and Operational Information

- 1 Provide a detailed narrative, description of all the activities of the organization—past, present, and planned. Do not merely refer to or repeat the language in your organizational document. Describe each activity separately in the order of importance. Each description should include, as a minimum, the following: (a) a detailed description of the activity including its purpose; (b) when the activity was or will be initiated; and (c) where and by whom the activity will be conducted.

See pages 2A - 2D attached.

- 2 What are or will be the organization's sources of financial support? List in order of size.

See response to Part II, question 1. This organization's expenses are all paid directly by Scientology Missions International. It has no income of its own.

- 3 Describe the organization's fundraising program, both actual and planned, and explain to what extent it has been put into effect. Include details of fundraising activities such as selective mailings, formation of fundraising committees, use of volunteers or professional fundraisers, etc. Attach representative copies of solicitations for financial support.

The organization has no fundraising program.

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Part II. Question 1 Statement of Activities

Dianetics Centers International ("DCI") was formed as a California nonprofit public benefit corporation on November 4, 1991 to serve as an integrated auxiliary of Church of Scientology International ("CSI"), the Mother Church of the Scientology religion.

DCI's purpose and sole activity are to act as CSI's agent by entering into contracts on behalf of CSI in countries that do not enforce contracts executed by religious corporations such as Mexico, Pakistan, Qatar and Ras-Al-Khaimah. (These countries hereafter shall be referred to as the secular countries.) Thus, DCI was organized as a secular nonprofit corporation rather than a religious nonprofit corporation.

Although organized as a secular corporation DCI plays an integral role in the international ecclesiastical hierarchy of the Scientology faith, particularly with respect to the expansion of the religion and the continued assurance of its orthodox practice. Detailed information concerning the organizational structure, religious activities and financial affairs of the international Scientology ecclesiastical hierarchy is contained in the administrative record of the exemption determination proceeding for CSI.

As discussed in CSI's administrative record, Scientology churches assure parishioners that their religious services are orthodox by providing them under the imprimatur of certain marks associated with the religion. These Scientology religious marks include the terms "Dianetics", "Scientology" and Mr. Hubbard's name, initials and signature. When the church's parishioners see these marks they know for certain that the services they are receiving are orthodox and have been taken directly from Scientology Scriptures. These marks are owned by Religious Technology Center ("RTC"), a California nonprofit religious corporation that functions as the ultimate authority within the Scientology ecclesiastical hierarchy as to matters concerning the orthodox practice of the faith.

RTC permits Scientology churches and their related organizations to use these marks through a written covenant it has entered into with CSI. This covenant provides that an organization cannot legally use the marks and thus cannot call itself a Scientology organization without CSI's written authority (represented by a sublicense agreement) and RTC's approval. Basically these agreements formalize the relationship for the

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Part II. Question 1 Statement of Activities

churches within the hierarchy and create legal rights and duties with respect to the marks that can be enforced in court. Thus, if a church continues to minister services under the name Scientology despite CSI's objections, CSI is able to stop the practice through the civil judicial system.

However, this arrangement is not effective in the secular countries since their judicial systems do not enforce contracts by religious corporations. In order to establish a system that can assure continued orthodox religious practice in these countries RTC and CSI formed a hierarchy of secular nonprofit corporations to mirror their own roles in the Scientology religious hierarchy. Under this secular system, rights to the Scientology religious marks are nominally held for the benefit of RTC by Inspector General Network ("IGN"), a California public benefit corporation that is an integrated auxiliary of RTC. IGN serves as RTC's nominee, and RTC retains reversionary rights to the marks if, in the sole judgment of RTC, IGN fails to preserve the ethical use of the marks_M in accordance with Scientology Scripture and policy.

IGN, in turn, has granted the authority to permit organizations to use the marks in countries where IGN is the nominal trademark owner to Dianetics Foundation International ("DFI"), a California nonprofit public benefit corporation. DFI's purpose is to sublicense the religious marks to large organizations similar in size to Class V churches of Scientology. (A copy of the license agreement between IGN and DFI is attached as Exhibit C.) Thus, DFI maintains the same basic relationship with IGN in the secular countries that CSI maintains with RTC in all other countries.

However, many of the organizations using the marks in secular countries are equivalent in size to Scientology missions, the smallest organizations in the Scientology ecclesiastical hierarchy.

Since the organizational structure of IGN and DFI is intended to duplicate the Scientology ecclesiastical hierarchy on a secular level, CSI formed DCI to mirror the role Scientology Missions International ("SMI") performs in licensing marks for the ecclesiastical hierarchy. As discussed in detail in CSI's administrative record, SMI functions as the "Mother Church" of Scientology missions by licensing missions the right to use Scientology religious marks in the conduct of their ministry.

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Part II. Question 1 Statement of Activities

As CSI licensed SMI, DFI has licensed DCI the right to permit newly-formed and smaller organizations operating in secular countries (the "Centers") to use the Scientology religious marks. (Copies of the license between DFI and DCI and the license between DCI and the Centers are attached as Exhibits D and E, respectively.) This licensing arrangement duplicates the licensing arrangement among CSI, SMI and Scientology missions, but on a secular level.

Pursuant to its authority DCI has licensed the right to use the marks to a number of Centers that operate in secular countries, including Centers established in Mexico, China, Pakistan and Russia.

Although these licenses give DCI the right to issue standards as to orthodox religious practice and to supervise such practice, unlike SMI, DCI does not undertake any activity with respect to issuing standards as to orthodox religious practice under the marks or supervising such practices since it does not have any staff personnel. Instead, CSI and SMI continue to perform such functions on behalf of DCI, just as they do in the nonsecular countries.

In addition to licensing arrangements, there are other agreements which CSI, in the normal course of its activities, enters into from time to time with Scientology churches (and SMI enters into with missions). One such agreement is the "PC folder" agreement, which obligates lower churches to maintain any records made during private auditing sessions of the religious experiences of their parishioners in strict confidence (Exhibit F). A further purpose of DCI is to act on behalf of CSI in the event that such agreements are needed in the secular countries.

Thus, although organized as a secular corporation, DCI's purpose and activities are wholly dedicated to the protection and furtherance of the Scientology religion. DCI is controlled by and operates solely for the benefit of CSI, to accomplish its religious purpose in countries where contracts by religious corporations are not enforceable.

As discussed above, DCI has no staff of its own, and its activities, which consist solely of entering into agreements respecting the religious marks with organizations in secular countries and entering into other contracts or agreements as needed, are carried out by the staff of SMI. It has no operating budget or bank account, and its expenses are paid directly by SMI.

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Part II. Question 1 Statement of Activities

DCI has no assets other than the rights it holds pursuant to its license with DFI.

DCI's trustees, who are responsible for electing and removing its directors, are all staff members of CSI. All of DCI's officers and directors are staff members of SMI. Trustee Pablo Lobato is also a trustee of SMI. Trustee Sherry Murphy is also a trustee of International Hubbard Ecclesiastical League of Pastors, SMI and World Association of Hubbard Enterprises. She is also a director of DFI. Trustee Amy Mortland is also a trustee of Church of Scientology Celebrity Center International and a director of DFI. Director Bernard Radburn is also a Director of SMI.

Part II Activities and Operational Information (Continued)**4 Give the following information about the organization's governing body:**

a Names, addresses, and titles of officers, directors, trustees, etc.

b Annual Compensation

See page 3A

See page 3A.

c Do any of the above persons serve as members of the governing body by reason of being public officials or being appointed by public officials?

☐ Yes☒ No

If "Yes," name those persons and explain the basis of their selection or appointment.

d Are any members of the organization's governing body 'disqualified persons' with respect to the organization (other than by reason of being a member of the governing body) or do any of the members have either a business or family relationship with 'disqualified persons'? (See the specific instructions for line 4d.)

☐ Yes☒ No

5 Does the organization control or is it controlled by another organization?

☒ Yes☐ No

Is this organization the outgrowth of (or successor to) another organization, or does it have a special relationship with another organization by reason of inheriting direct or indirect control or other factors?

☒ Yes☐ No

If "Yes," explain fully and identify the other organizations involved.

See response to Part II, question 1.

See also Schedule D attached.

6 Does or will the organization directly or indirectly engage in any of the following transactions with any political organization or other exempt organization (other than 501(c)(3) organizations): (a) grants; (b) purchases or sales of assets; (c) rental of facilities or equipment; (d) loans or loan guarantees; (e) reimbursement arrangements; (f) performance of services, membership, or fundraising solicitations; or (g) sharing of facilities, equipment, mailing lists or other assets, or paid employees?

☐ Yes☒ No

If "Yes," explain fully and identify the other organizations involved.

7 Is the organization financially accountable to any other organization?

☒ Yes☐ No

If "Yes," explain and identify the other organization, include details concerning accountability or attach copies of reports if any have been submitted.

Dianetics Centers International is financially accountable to Church of Scientology International & Scientology Missions International. See response to Part II, question 1. See also Schedule D attached.

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Part II, Question 4 Officers. Dire. fS

TRUSTEES

Pablo Lobato
6331 Hollywood Boulevard
Los Angeles, Calif. 90028

Amy Mortland
6331 Hollywood Boulevard
Los Angeles, Calif. 90028

Sherry Murphy
6331 Hollywood Boulevard
Los Angeles, Calif. 90028

DIRECTORS

Beate Gordon
6331 Hollywood Blvd.
Los Angeles, Calif. 90028

Bernard Radburn
6331 Hollywood Blvd.
Los Angeles, Calif. 90028

David Zermer
6331 Hollywood Blvd.
Los Angeles, Calif. 90028

OFFICERS

President - Beate Gordon
6331 Hollywood Blvd.
Los Angeles, Calif. 90028

Secretary - Bernard Radburn
6331 Hollywood Blvd.
Los Angeles, Calif. 90028

Treasurer - David Zermer
6331 Hollywood Blvd.
Los Angeles, Calif. 90028

Part II Activities and Operational Information (Continued)

What assets does the organization have that are used in the performance of its exempt function? (Do not include property producing investment income.) If any assets are not fully operational, explain their status, what additional steps remain to be completed, and when such final steps will be taken. If "None," indicate "N/A."

Rights to use the Scientology religious marks.

- 9a Will any of the organization's facilities or operations be managed by another organization or individual under a contractual agreement? ☐ Yes ☒ No
- b Is the organization a party to any leases? ☐ Yes ☒ No
- If either of these questions is answered "Yes," attach a copy of the contracts and explain the relationship between the applicant and the other parties.

- 10 Is the organization a membership organization? ☐ Yes ☒ No
- If "Yes," complete the following:

- a Describe the organization's membership requirements, and attach a schedule of membership fees and dues.
- b Describe your present and proposed efforts to attract members, and attach a copy of any descriptive literature or promotional material used for this purpose.
- c What benefits do (or will) your members receive in exchange for their payment of dues?

- 11a If the organization provides benefits, services or products, are the recipients required, or will they be required, to pay for them? ☒ N/A ☐ Yes ☐ No
- If "Yes," explain how the charges are determined, and attach a copy of your current fee schedule.

- b Does or will the organization limit its benefits, services or products to specific individuals or classes of individuals? ☒ N/A ☐ Yes ☐ No
- If "Yes," explain how the recipients or beneficiaries are or will be selected.

- 12 Does or will the organization attempt to influence legislation? ☐ Yes ☒ No
- If "Yes," explain. Also, give an estimate of the percentage of the organization's time and funds which it devotes or plans to devote to this activity.

- 13 Does or will the organization intervene in any way in political campaigns, including the publication or distribution of statements? ☐ Yes ☒ No
- If "Yes," explain fully.

Part III Technical Requirements

- 1 Are you filing Form 1023 within 15 months from the end of the month in which you were created or formed? ☐ Yes ☒ No
If you answer 'Yes,' do not answer questions 2 through 6.

- 2 If one of the exceptions to the 15-month filing requirement shown below applies, check the appropriate box and proceed to question 7.

Exceptions—You are not required to file an exemption application within 15 months if the organization:

- ☒ (a) Is a church, interchurch organization, local unit of a church, a convention or association of churches, or an integrated auxiliary of a church;
- ☐ (b) Is not a private foundation and normally has gross receipts of not more than \$5,000 in each tax year; or,
- ☐ (c) Is a subordinate organization covered by a group exemption letter, but only if the parent or supervisory organization timely submitted a notice covering the subordinate.

- 3 If you do not meet any of the exceptions in question 2, do you wish to request relief from the 15-month filing requirement? ☐ Yes ☒ No ^{N/A}

- 4 If you answer 'Yes' to question 3, please give your reasons for not filing this application within 15 months from the end of the month in which your organization was created or formed. (See the Instructions before completing this item.)

N/A

- 5 If you answer 'No' to both questions 1 and 3 and do not meet any of the exceptions in question 2, your qualification as a section 501(c)(3) organization can be recognized only from the date this application is filed with your key District Director. Therefore, do you want us to consider your application as a request for recognition of exemption as a section 501(c)(3) organization from the date the application is received and not retroactively to the date you were formed? ☐ Yes ☒ No ^{N/A}

- 6 If you answer 'Yes' to question 5 above and wish to request recognition of section 501(c)(4) status for the period beginning with the date you were formed and ending with the date your Form 1023 application was received (the effective date of your section 501(c)(3) status), check here • D and attach a completed page 1 of Form 1024 to this application. ☐ Yes ☒ No ^{N/A}

Part III Technical Requirements (Continued)

Is the organization a **private** foundation?

- ☐ **Yes** (Answer question 8.)
☒ **No** (Answer question 9 and proceed as instructed.)

If you answer "Yes" to question 7, do you claim to be a private operating foundation?

- ☐ **Yes** (Complete Schedule E)
☐ **No**

N/A

After answering this question, go to Part IV.

If you answer "No" to question 7, indicate the public charity classification you are requesting by checking the box below that most appropriately applies:

THE ORGANIZATION IS NOT A PRIVATE FOUNDATION BECAUSE IT QUALIFIES:

- | | |
|--|---|
| (a) <input type="checkbox"/> As a church or a convention or association of churches
(CHURCHES MUST COMPLETE SCHEDULE A). | Sections 509(aXD
and 170(bXIXAXi) |
| (b) <input type="checkbox"/> As a school (MUST COMPLETE SCHEDULE B). | Sections 509(aXD
and 170(bXIXAXii) |
| (c) <input type="checkbox"/> As a hospital or a cooperative hospital service organization, or a
medical research organization operated in conjunction with a hospital
(MUST COMPLETE SCHEDULE C). | Sections 509(aXD
and 170(bXIXAXiii) |
| (d) <input type="checkbox"/> As a governmental unit described in section 170(cXI). | Sections 509(aXD
and 170(bXIXAXv) |
| (e) <input checked="" type="checkbox"/> As being operated solely for the benefit of, or in connection with, one
or more of the organizations described in (a) through (d), (g), (h), or (i)
(MUST COMPLETE SCHEDULE D). | Section 509(aX3) |
| (f) <input type="checkbox"/> As being organized and operated exclusively for testing for public
safety. | Section 509(aX4) |
| (g) <input type="checkbox"/> As being operated for the benefit of a college or university that is
owned or operated by a governmental unit. | Sections 509(aXD
and 170(bXIXAXiv) |
| (h) <input type="checkbox"/> As receiving a substantial part of its support in the form of
contributions from publicly supported organizations, from a
governmental unit, or from the general public. | Sections 509(aXD
and 170(bXIXAXvi) |
| (i) <input type="checkbox"/> D As normally receiving not more than one-third of its support from
gross investment income and more than one-third of its support from
contributions, membership fees, and gross receipts from activities
related to its exempt functions (subject to certain exceptions). | Section 509(aX2) |
| (j) <input type="checkbox"/> D We are a publicly supported organization but are not sure whether we
meet the public support test of block (h) or block (i). We would like the
Internal Revenue Service to decide the proper classification. | Sections 509(aXD
and 170(bXIXAXvi)
or
Section 509(aX2) |

If you checked one of the boxes (a) through (f) in question 9, go to question 14.

If you checked box (g) in question 9, go to questions 11 and 12.

If you checked box (h), (i), or (j), go to question 10.

cal Requirements (Continued)

whether (h), (i), or (j) in question 9, have you completed a tax year of at least 8 months?

whether you are requesting:

N/A

definitive ruling (Answer questions 11 through 14.)

advance ruling (Answer questions 11 and 14 and attach 2 Forms 872-C completed and signed.)

I must request an advance ruling by completing and signing 2 Forms 872-C and attaching them to your application.

If the organization received any unusual grants during any of the tax years shown in Part IV-A, attach a list for each year showing the contributor; the date and the amount of the grant; and a brief description of the nature of the grant.

N/A

requesting a definitive ruling under section 170(b)(1)(A)(iv) or (vi), check here ☐ and:

N/A

line 8, column (e) of Part IV-A _____

not showing the name and amount contributed by each person (other than a governmental unit or "publicly supported" person) whose total gifts, grants, contributions, etc., were more than the amount you entered on line 12a above.

requesting a definitive ruling under section 509(a)(2), check here ☐ and:

N/A

for the years included on lines 1, 2, and 9 of Part IV-A, attach a list showing the name of and amount received from each donor person."

for the years included on line 9 of Part IV-A, attach a list showing the name of and amount received from each payer (other than a "qualified person") whose payments to the organization were more than \$5,000. For this purpose, "payer" includes, but is not limited to, any organization described in sections 170(b)(1)(A)(i) through (vi) and any governmental agency or bureau.

If your organization is one of the following. If so, complete the required schedule. (Submit only the schedule that apply to your organization. Do not submit blank schedules.)

	Yes	No	If "Yes," complete Schedule:
Is the organization a church?		X	A
Is the organization, or any part of it, a school?		X	B
Is the organization, or any part of it, a hospital or medical research organization?		X	C
Is the organization a section 509(a)(3) supporting organization?	X		D
Is the organization an operating foundation?		X	E
Is the organization, or any part of it, a home for the aged or handicapped?		X	F
Is the organization, or any part of it, a child care organization?		X	G
Does the organization provide or administer any scholarship benefits, student aid, etc.?		X	H
Has the organization taken over, or will it take over, the facilities of a "for profit" institution?		X	I

Part IV Financial Data DIANETICS CENTERS INTERNATIONAL

Complete the financial statements for the current year and for each of the 3 years immediately before it. If in existence less than 4 years, complete the statements for each year in existence. If in existence less than 1 year, also provide proposed budgets for the 2 years following the current year.

A. - Statement of Revenue and Expenses

		Current tax year	3 prior tax years or proposed budget for 2 years			
		(a) From JAN to DEU 92	(b) 19 9 1	(c) 19	(d) 19	(e) TOTAL
Revenue	1 Gifts, grants, and contributions received (not including unusual grants-see instructions)	0	0			0
	2 Membership fees received	0	0			0
	3 Gross investment income (see instructions for definition)	0	0			0
	4 Net income from organization's unrelated business activities not included on line 3	0	0			0
	5 Tax revenues levied for and either paid to or spent on behalf of the organization	0	0			0
	6 Value of services or facilities furnished by a governmental unit to the organization without charge (not including the value of services or facilities generally furnished the public without charge)	0	0			0
	7 Other income (not including gain or loss from sale of capital assets) (attach schedule)	0	0			0
	8 Total (add lines 1 through 7)	0	0			0
	9 Gross receipts from admissions, sales of merchandise or services, or furnishing of facilities in any activity that is not an unrelated business within the meaning of section 513	0	0			0
	10 Total (add lines 8 and 9)	0	0			0
	11 Gain or loss from sale of capital assets (attach schedule)	0	0			0
	12 Unusual grants	0	0			0
	13 Total revenue (add lines 10 through 12)	0	0			0
Expenses	14 Fundraising expenses	0	0			
	15 Contributions, gifts, grants, and similar amounts paid (attach schedule)	0	0			
	16 Disbursements to or for benefit of members (attach schedule)	0	0			
	17 Compensation of officers, directors, and trustees (attach schedule)	0	0			
	18 Other salaries and wages	0	0			
	19 Interest	0	0			
	20 Occupancy (rent, utilities, etc.)	0	0			
	21 Depreciation and depletion	0	0			
	22 Other (attach schedule)	0	0			
	23 Total expenses (add lines 14 through 22)	0	0			
	24 Excess of revenue over expenses (line 13 minus line 23)	0	0			

Schedule D.—Section 509(a)(3) Supporting Organization

1a Organizations supported by the applicant organization: Name and address of supported organization	b Has the supported organization received a ruling or determination letter that it is not a private foundation by reason of section 509(a)(1) or (2)?
Church of Scientology International "6331" "HoTiVwb" "o" "d" "Blvd." / "LA" "C" "A" "900" "2" "8"	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<input type="checkbox"/> Yes <input type="checkbox"/> No
	<input type="checkbox"/> Yes <input type="checkbox"/> No

c If "No" for any of the organizations listed in 1a, explain.

Church of Scientology International is neither a private foundation nor subject to the notice provisions of sections 508 (a) or (b). However, CSI has filed a Form 1023 and expects a favorable ruling.

- 2 Does the organization you support have tax-exempt status under section 501(c)(4), 501(c)(5), or 501(c)(6)?** ☐ Yes ☒ No
If "Yes," attach: (a) a copy of its ruling or determination letter, and (b) an analysis of its revenue for the current year and the preceding three years. (Provide the financial data using the formats in Part IV-A (lines 1-13) and Part III (questions 11, 12, and 13).)

- 3 Does your governing document indicate that the majority of your governing board is elected or appointed by the supported organizations?** ☐ Yes ☒ No
If "Yes," skip to question 9.
If "No," you must answer questions 4 through 9.

- 4 Does your governing document indicate the common supervision or control that you and the supported organizations share?** ☐ Yes ☒ No

If "Yes," give the article and paragraph numbers. If "No," explain. As described in the response to Part I Question I, all of DCI's trustees are staff of CSI. The trustees elect the directors.

- 5 To what extent do the supported organizations have a significant voice in your investment policies, in the making and timing of grants, and in otherwise directing the use of your income or assets?**

DCI has no income or expenses and has no investments and makes no grants.

- 6 Does the mentioning of the supported organizations in your governing instrument make you a trust that the supported organizations can enforce under state law and compel to make an accounting?** ☐ Yes ☐ No
If "Yes," explain.

N/A

7a What percentage of your income do you pay to each supported organization?

See response to Part II, Question 1. DCI has no income. Its expenses are paid by Scientology Missions International.

b What is the total annual income of each supported organization?

DCI does not support CSI financially. Its support of CSI consists of providing a legal entity through which CSI can carry out activities in certain countries.

c How much do you contribute annually to each supported organization?

See response to Question 7a above.

Schedule D.—Section 509(a)(3) Supporting Organization (Continued)

- 8** To what extent do you conduct activities that would otherwise be carried on by the supported organizations? Explain why the activities would otherwise be carried on by the supported organizations.

See Page 20-A attached.

- 9** Is the applicant organization controlled directly or indirectly by one or more "disqualified persons" (other than one who is a disqualified person solely because he or she is a manager) or by an organization which is not described in section 509(a)(1) or (2)? **D** **YM** **d** **N**
If "Yes," explain.

Instructions

For an explanation of the types of organizations defined in section 509(a)(3-) as being excluded from the definition of a private foundation, see Publication 557, Chapter 3.

Line 1.—List each organization that is supported by your organization and indicate in item 1b if the supported organization has received a letter recognizing exempt status as a section 501(c)(3) public charity as defined in section 509(a)(1) or 509(a)(2).

If you answer "No" in 1b to any of the listed organizations, please explain in 1c.

Line 3.—Your governing document may be articles of incorporation, articles of association, constitution, trust indenture, or trust agreement.

Line 9.—For a definition of a "disqualified person," see specific instructions for Part II, line 4d, on page 3 of the application's instructions.

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Schedule D. Question 8 - Activities That Would Otherwise
Be Carried On By Supported Organization

As described in the response to Part II, Question 1, DCI was formed to provide a legal entity to carry out certain activities for CSI in countries where contracts by religious organizations are not enforced. Thus DCI licenses organizations to use the Scientology religious marks, enters into agreements with them concerning confidentiality of files and enters into other contracts or agreements as necessary, for CSI in such countries. If contracts involving religious organizations were enforced in such countries these activities would be carried on by CSI either directly or indirectly through Scientology Missions International, which is also a religious corporation and subject to the same restrictions as CSI in such countries.