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8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 FOR THE COUNTY OF LOS ANGELES

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11 LAWRENCE DOMINICK WOLLERSHEIM) Case No.: C 332 027
12)
12 Plaintiff,) DECLARATION OF JESSE PRINCE
13)
13 vs.)
14)
14 CHURCH OF SCIENTOLOGY OF)
CALIFORNIA)
15)
16 Defendant)
16)
17)

17

18 I, Jesse Prince declare as follows:

19 1. I am over 18 years of age and currently reside in
20 the State of Colorado, County of Boulder. This declaration is
21 of my own personal knowledge and if called upon to testify to
22 the facts herein I could and would be competently able to
23 testify thereto.

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1 MY PARTICIPATION IN SCIENTOLOGY

2 2. I am intimately familiar with the Scientology
3 organization, movement and beliefs because I was in
4 Scientology for 16 years (1976-92) and served in the highest
5 ranks, including as the second in command of the Religious
6 Technology Center (RTC). At that time, my position was "Deputy
7 Inspector General, External" which meant being in charge of
8 all activities outside the body of Scientology. This included
9 being in charge of all litigation by or against any
10 Scientology organization, intelligence (spying, covert
11 operations) brought against perceived or imagined "enemies"
12 (which ranged from critics to media to the courts), trademark
13 registrations, and the licensing of trademarks to other
14 Scientology organizations, which was how we tightly controlled
15 all Scientology corporations while creating the false
16 impression of "corporate integrity."

17 3. From the time RTC was created in the early 80's
18 until the time I left RTC, RTC was the most senior, most
19 powerful and most influential organization in all of
20 Scientology. All RTC employees were Sea Org members.

21 4. In March 1983, I became the Deputy Inspector
22 General, External, and a member of the Board of Directors for
23 RTC, as its Treasurer. (The only other board members were
24 Warren McShane as Secretary and Vicki Aznaran as President,
25 during this time.) At the time I was appointed a member of

1 the Board of Directors of RTC I was forced to sign an undated
2 letter of resignation. This is standard practice with all
3 Scientology board members and is another means by which the
4 Scientology corporations are controlled while giving the
5 appearance of corporate integrity.

6 **ACTIVITIES CONDUCTED UNDER THE GUISE OF RTC MANAGEMENT**

7 5. During my tenure with RTC, I have been privy to the
8 destruction and alteration of documents to protect the group.

9 For example, on or about April of 1983 I was present at a
10 meeting, which took place in Los Angeles, California at a
11 Scientology office called Author Services, Inc. (ASI). ASI
12 presented itself as the "literary agency" for Scientology
13 founder L. Ron Hubbard. In reality it was actually where the
14 Scientology empire was being run from at that time. All of
15 Scientology was being directed from ASI in 1983. ASI was
16 where various Scientology corporations went to receive orders.

17 6. Present at this particular meeting was David
18 Miscavige, then acting under the title of chairman of the
19 board of ASI, Vicki Aznaran then the Deputy Inspector General
20 of Religious Technology Center, (RTC) and Lymon Spurlock, who
21 was "Director of Client Affairs" for ASI. Mr. Miscavige
22 expressed concern at this meeting that there might possibly be
23 a raid on Scientology by the IRS. At that time, none of the
24 churches of Scientology had received tax exempt status.

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1 7. One principle reason why tax exempt status had not
2 been granted was the IRS's position that Scientology founder
3 L. Ron Hubbard (LRH) was actually the managing agent of
4 Scientology in complete disregard of the corporate structure
5 of Scientology. We knew this to be a fact but also knew that
6 it violated IRS rules and thus had to be hidden.

7 8. There was concern that the IRS would obtain the
8 hundreds of daily, weekly and monthly LRH orders written by
9 Mr. Hubbard and distributed throughout Scientology. These
10 orders were commonly referred to in Scientology as "advices"
11 to avoid the appearance that LRH was actually running
12 Scientology. In fact, LRH was running Scientology. The
13 principle concern expressed at this meeting was that the LRH
14 orders or "advices" would be used to name L. Ron Hubbard as
15 the managing agent of Scientology.

16 9. Because of an already existing fear that an LRH
17 "advice" might fall into the wrong hands, these orders from
18 him were written in a way that we could deny it was from him.
19 His name was not on them. He was never cited in the dispatch
20 except in the third person. There was no signature and a
21 salutation in reply was never more than "Dear Sir." The
22 routing at the top referred to him merely as "*"," an asterisk.
23 However if a person (or an agency) got enough of these, there
24 would be little doubt that we were in touch with Hubbard (via
25

1 ASI) and he was telling us and each corporation what to do to
2 make him more money.

3 10. David Miscavige specifically stated that ASI was
4 "already dealing with the problem", ridding ASI of any
5 documents that would implicate L. Ron Hubbard as managing
6 agent of Scientology. He stated that under his directive the
7 LRH orders, or "advices", were being collected and transferred
8 by truck to a Riverside County recycling plant where the
9 documents were to be "pulped". This method of destruction was
10 considered to be better than shredding. I was also given
11 instructions that I was in charge of purging the remainder of
12 the Scientology organization of LRH orders. This was to
13 include Church of Scientology of California (CSC); Church of
14 Scientology International (CSI); and, RTC.

15 DESTRUCTION OF WOLLERSHEIM DOCUMENTS

16 11. Several weeks after this first meeting, I attended a
17 second meeting at the ASI offices concerning the continuing
18 destruction of Scientology corporate documentation. In
19 attendance at the second meeting were David Miscavige, Lymon
20 Spurlock, Vicki Aznaran, Norman Starkey of ASI and Marty
21 Rathburn of ASI. At this meeting, David Miscavige for the
22 first time, stated that Scientology had been ordered by a
23 court to produce various documents concerning a former
24 Scientology member named Lawrence Wollersheim who had a
25 lawsuit pending in Los Angeles against the Church of

1 Scientology of California. The court had ordered Scientology
2 to produce Mr. Wollersheim's entire "preclear" (PC) file.

3 12. A "PC" file is one of several files kept on members.
4 The PC file is the file that includes all written records of
5 all "confessionals" done by the member. This means that it
6 includes not only the most self-damaging material, but it also
7 reflects every problem the person might have had with the
8 organization, including complaints. This PC file grows with
9 the person's tenure in Scientology.

10 13. Mr. Wollersheim's PC file was several thousand pages
11 in length and stood as high as a six-foot tall man. Initially
12 at this meeting, it was decided that Mr. Wollersheim's PC file
13 would be redacted and culled of any evidence or documentation
14 which might assist Mr. Wollersheim in his lawsuit against CSC.
15 There was also concern that the materials known as Clear, OT
16 I, OT II, OT III and NED for OT's (NOTS) would be open to
17 public inspection if Mr. Wollersheim's files were produced as
18 ordered. Scientologists are taught that a person could catch
19 pneumonia and die if that person is prematurely exposed to
20 these "upper level" materials without first having taken many
21 hours of preparatory auditing.

22 14. Ultimately, approximately 50 pages were produced
23 pursuant to the court order. Mr. Wollersheim's PC file was
24 culled based on a direct order from David Miscavige.

25 / / /

1 Scientology of California was to make the case so complex and
2 expensive that it would go on forever and Mr. Wollersheim
3 would never be able to collect "One Thin Dime".

4 19. This general legal strategy as pursued in the
5 *Wollersheim* case is consistent with Scientology's overall
6 legal strategy as set forth by L. Ron Hubbard, the "source" of
7 all of Scientology's policies as follows:

8 The purpose of the suit is to harass and discourage
9 rather than to win... the law can be used very easily to
10 harass, and... will generally be sufficient to cause [the
11 enemy's] professional decease. If possible, of course
12 ruin him utterly.

11 The DEFENSE of anything is UNTENABLE. The only way to
12 defend anything is to ATTACK, and if you ever forget
13 that, then you will lose every battle you are ever
14 engaged in... NEVER BE INTERESTED IN CHARGES. DO,
15 yourself, much MORE CHARGING and you will WIN.
16 L. Ron Hubbard, Magazine articles on Level 0 Checksheet

15 20. During the same period of time, I was also present
16 at legal strategy sessions that dealt with the *Christofferson*
17 case in Oregon and the David Mayo case in the USDC for the
18 Central District of California also known as *RTC, et al. v.*
19 *Robin Scott 85-711-JMI (Bx)*. The identical legal strategy was
20 employed in those actions.

21 21. The various legal strategy sessions involving the
22 *Wollersheim* case were attended by the following Scientology
23 representatives:

24 Lyman Spurlock of Author's Services, Inc. (ASI);
25 Norman Starkey of ASI;
Marty Rathburn of ASI;

1 David Miscavige of ASI;
2 Vicki Aznaran of RTC;
3 Warren McShane of RTC;
4 Marc Yeager of CSI; and,
5 Myself of RTC.

6 CORPORATE NAMES AND BOUNDARIES WERE MEANINGLESS

7 22. It is incumbent on this and every court, as well as
8 the authorities, to realize the amount of deception,
9 chicanery, lying, manipulation and outright criminality that
10 Scientology will employ to hide the truth about their criminal
11 activities. They will spend any amount of money to do this.
12 I know because I was part of it for years. I received orders
13 to break the law, and then I helped to hide these criminal
14 activities just as they are hiding them now.

15 23. Scientology developed a daunting corporate
16 structure. This structure was designed to confuse those
17 outside of the organization. In reality, corporate names and
18 boundaries were meaningless. Control was centralized in one
19 person. During his lifetime until his death in 1986 that
20 person was L. Ron Hubbard. After his death, all control of
21 Scientology vested and remains in David Miscavige.

22 24. The one thing that all of us had in common is that
23 we were all members of the Sea Organization. The Sea
24 Organization, or "Sea Org" is a paramilitary type organization
25

1 that virtually governs all of Scientology under guidance of
2 David Miscavige.

3 25. Our corporate positions were so much window
4 dressing. It was our Scientology positions and our membership
5 in the Sea Organization that gave us the power to control
6 things within Scientology, including setting legal strategy
7 for a corporation that we were not officers or directors of,
8 such as defendant Church of Scientology of California.

9 **SCIENTOLOGY HAD A CORE OF LAWYERS USED FOR ALL PURPOSES**

10 26. The attorneys present when the legal strategy for
11 the *Wollersheim* case was discussed included:

12 Sherman Lenske;

13 Earl Cooley;

14 Chris Cobb;

15 John Peterson;

16 Lawrence Heller; and,

17 Joe Yanny

18 27. Not everyone listed above was present for every
19 meeting. However, I am positive that at sessions at which the
20 legal strategy to be employed in the *Wollersheim* case was
21 discussed, the lawyers involved in the *Wollersheim* case freely
22 discussed that case and took directions from persons who were
23 not officers, directors or employees of the defendant Church
24 of Scientology of California, including me.

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1 DAVID MISCAVIGE CONTROLLED THE WOLLERSHEIM LAWYERS

2 28. David Miscavige routinely gave orders to attorneys
3 representing Scientology corporations, regardless of which
4 Scientology Corporation the attorneys ostensibly represented.
5 This was true in every legal strategy session and in every
6 legal case including *Wollersheim*.

7 29. I recall one legal strategy session after the
8 judgment was rendered specifically. The attorneys
9 representing CSC in the *Wollersheim* case were present. Marty
10 Rathburn gave a general briefing on the case mentioning that
11 the judge hated Scientology and that Scientology was not going
12 to pay. David Miscavige said that Scientology was not going
13 to pay even if it cost Scientology more than the thirty
14 million-dollar judgment because we don't want to open the
15 doors to others doing this.

16 WARREN McSHANE DECLARATION

17 30. I have read the Declaration of Warren McShane dated
18 June 11, 1999. Mr. McShane's Declaration is false.

19 31. For example, Mr. McShane states that:

20 RTC never purchased, acquired, assumed, or otherwise
21 obtained any assets of defendant Church of Scientology of
22 California ("CSC") as part of any corporate
reorganization of the Church of Scientology or otherwise.

23 In fact, RTC obtained trademarks that were registered in the
24 name of CSC.

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1 32. Mr. McShane's statement that: "RTC played no role of
2 any kind in the trial of this action" is also a fiction.
3 Nothing could be farther from the truth. Warren McShane,
4 Vickie Aznaran and I constituted all of the officers and
5 members of the board of directors of RTC from 1983 through the
6 end of 1986. Further, Lyman D. Spurlock and David Miscavige
7 were trustees of RTC from 1983 to 1986. All of us were
8 present during legal strategy sessions with the attorneys
9 representing CSC during and after the trial and at those
10 meetings we formulated the strategy that the lawyers were to
11 employ at trial and to frustrate collection of the judgment
12 after it was rendered.

13 **MANAGEMENT OF WOLLERSHEIM CASE BY CSI**

14 33. For example, at these legal strategy sessions it was
15 determined to organize a unit within CSI known as the Wolly
16 Unit. The Wolly Unit was to supervise and coordinate various
17 aspects of the *Wollersheim* case such as intelligence
18 gathering; public relations, including the "Not One Thin Dime
19 For Wollersheim" Campaign; explaining to Church members'
20 Scientology's version of the case and day to day supervision
21 of the outside attorneys handling the CSC case.

22 34. Another unit was also organized within CSI. This
23 unit was called MFTC for Mission Find The Crimes. The MFTC's
24 unit was literally what the title implies. MFTC members
25 worked full time investigating any judge sitting on the

1 *Wollersheim* case, the judges' family and friends; the lawyers
2 for *Wollersheim*; their family and friends; any witnesses that
3 the *Wollersheim* attorneys might call at trial; and, their
4 families and friends. The job of MFTC unit was to find any
5 crimes, unethical behavior or embarrassing information that
6 might be used to Scientology's advantage. Mr. Wollersheim's
7 attorneys, Charlie O'Rielly and Lita Schlosser were followed
8 on an almost constant basis.

9 35. It was irrelevant to us if a legal strategy was
10 pointless or had no ultimate chance for success. As long as
11 we could argue that the legal strategy had a scintilla of
12 colorable basis, we would demand that it be pursued with the
13 utmost vigor. We ordered the attorneys to tie up Mr.
14 Wollersheim's attorneys; tie up the court; delay the case;
15 make the pursuit of Mr. Wollersheim's claim as difficult as
16 conceivably possible; force the plaintiff to spend as much
17 money as possible and make an example of Mr. Wollersheim to
18 show that no one can ever prevail against Scientology.

19 **MISSION CORPORATE CATEGORY SORT OUT SHAM**

20 36. In 1981, in response to the Wollersheim case, and
21 the IRS, Scientology created "Mission Corporate Category Sort
22 Out" ("MCCS"). On its face, to the outside world, MCCS was
23 designed to appear to separate corporate business functions
24 from ecclesiastic functions. Prior to this, all of
25 Scientology was under a hierarchy where defendant CSC was

1 designated as the "Mother Church" and all functions of
2 Scientology came under the umbrella of the "Mother Church."

3 37. The Mission Corporate Category Sort Out was a sham.
4 It was a smoke screen designed to put a phony corporate front
5 on the Scientology management structure to fool the IRS and to
6 frustrate litigants so that they would never be able to
7 collect a judgment.

8 38. Scientology has no respect for the "Wog" or non-
9 Scientology legal system. It is merely a tool we could
10 manipulate to destroy our enemies. During the time I was an
11 officer and director of RTC, we often destroyed evidence. I
12 have personal knowledge that this occurred in the *Wollersheim*
13 case because I participated in it. As far as Scientology was
14 concerned, we were above the law and we were perfectly free to
15 use any means legal or illegal, to manipulate and frustrate
16 the legal system to our purposes.

17 39. Scientology always enjoyed a number of great
18 advantages in any litigation we were involved in including the
19 *Wollersheim* case. These advantages included:

20 a. Scientology's opponents generally took their
21 legal duties seriously, Scientology did not. For
22 example, Scientology never felt obligated to produce
23 documents it had in its possession even if a court
24 ordered it to do so. The only way Scientology would
25

1 produce documents was if the documents were worthless or
2 damaging to Scientology's opponent.

3 b. Scientology set up a maze of phony corporate
4 structures that Scientology opponents had to negotiate.
5 Scientology did not take these corporate structures
6 seriously, but demanded that it's opponents do so.

7 c. Scientology had virtually unlimited funds to
8 spend on litigation and was willing to spend the money to
9 drive any opponent into bankruptcy.

10 d. Scientology would "play the religious card" as
11 often as possible screaming at the top of its lungs that
12 any lawsuit represented a threat to all religions and was
13 based on religious discrimination against Scientology as
14 a misunderstood and maligned new religion.

15 e. If Scientology did not like what was going on
16 in a particular court, we would just order the lawyer to
17 file a lawsuit in another court to tie up the plaintiff
18 and his lawyers on trumped up charges. This policy
19 carried out L. Ron Hubbard's admonition: "NEVER BE
20 INTERESTED IN CHARGES. DO, yourself, much MORE CHARGING
21 and you will WIN." Further, these new lawsuits could be
22 used as intelligence gathering operations to conduct
23 discovery that the court that we did not like, would
24 never let us conduct.

25

1 40. Both before and after the *Wollersheim* judgment,
2 Scientology's Mission Corporate Sort Out was designed to drain
3 all the assets out of CSC and place them in other corporations
4 where they could not be touched by anyone who had a judgment
5 against CSC.

6 41. When the judgment was rendered in the *Wollersheim*
7 case, I remember that a shock wave went through the
8 Scientology organization. Although many of the assets had
9 been drained off from CSC, there were still some attachable
10 assets that remained within CSC and were thus reachable by
11 *Wollersheim's* lawyers. CSC was quickly reduced to one room.
12 Even furniture was removed to other Scientology organizations.
13 FREEDOM MAGAZINE, which had always been housed in CSC, was
14 transferred to CSI.

15 42. The Essential Strategy to make it impossible for the
16 *Wollersheim* judgment to be collected was formulated by CSC's
17 attorney Earl Cooley and CSI attorney Chris Cobb. David
18 Miscavige and Lyman Spurlock then implanted a specific plan to
19 carry out the lawyers' scheme to make it impossible for
20 *Wollersheim* to collect his judgment.

21 43. CSC was stripped of all revenue streams, which were
22 given to other Scientology corporations and entities,
23 including CSI. Any cash that was left in CSC was used to pay
24 bills, debts and settlements for all the other Scientology
25 corporations and entities. I specifically remember one

1 meeting at which we discussed the fact that despite our
2 efforts to strip CSC of attachable assets there was still 2.5
3 million dollars in cash left that might be seized. It was
4 determined that we had to find bills or debts in other
5 corporations that needed to be paid in order to relieve CSC of
6 this cash. This was done. Mark Ingber of WDC (Watch Dog
7 Committee) reserves in CSI was in charge of stripping CSC of
8 its assets.

9 THE CSI AND RTC MOTION TO DISMISS

10 44. I have been informed that RTC and CSI have recently
11 moved to dismiss the *Wollersheim* case against them on the
12 basis of laches. My understanding is that laches is the legal
13 doctrine that is applied to bar someone's claim when they
14 waited too long to pursue the claim. A huge part of
15 Scientology's legal strategy in the *Wollersheim* case was to
16 hide the fact that RTC and CSI were intimately involved in the
17 day-by-day direction of CSC's defense and to make the case so
18 complex, obtuse and expensive that no one would conceivably be
19 able to get past all the phony legal issues that Scientology
20 was raising to peel away the corporate layers and actually
21 collect on the judgment.

22 45. If this case is dismissed on the basis of laches,
23 this cynical strategy will indeed have defeated both Mr.
24 Wollersheim and the entire non-Scientology legal system.

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