

1 BARRY VAN SICKLE - BAR NO. 98645
1079 Sunrise Avenue
2 Suite B-315
Roseville, CA 95661
3 Telephone: (916) 549-8784
E-Mail: bvansickle@surewest.net
4

5 Attorney for Plaintiff
CLAIRE HEADLEY
6

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

10	CLAIRE HEADLEY,	)	CASE NO. BC405834
)	
11	Plaintiff,	)	PLAINTIFF'S SECOND AMENDED
		)	COMPLAINT FOR:
12	vs.)	
)	
13	CHURCH OF SCIENTOLOGY	)	1) RESTITUTION OF WAGES DUE
		)	(B&P §17200 ET. SEQ)
14	INTERNATIONAL, a corporate	)	2) INJUNCTIVE RELIEF RE
	entity, RELIGIOUS TECHNOLOGY	)	ONGOING UNFAIR BUSINESS
15	CENTER, a corporate entity AND	)	PRACTICES
	DOES 1 - 20	)	3) FORCED LABOR aka HUMAN
16		)	TRAFFICKING
	Defendants.)	
17)	
		)	ASSIGNED TO THE HONORABLE JANE
18		)	L. JOHNSON, DEPT. 56

19
20 INTRODUCTION

21 1) This case challenges Scientology's business model, not
22 its belief system. Plaintiff worked long, hard hours for illegal
23 wages, was forced to have abortions to keep her job and was
24 subjected to violations of personal rights and liberties for the
25 purpose of obtaining coerced labor.

26 2) Defendants scoff at the suggestion that they are
27 subject to labor laws, but they protest too much. Plaintiff's
28 case has a solid legal foundation. Under controlling law,

1 Plaintiff was entitled to the protections of the labor laws.
2 Plaintiff's case is supported by statutory law and decisions of
3 the U.S. Supreme Court, the California Supreme Court and the
4 Ninth Circuit Court of Appeals. Defendants are subject to labor
5 laws and other neutral laws of general applicability irrespective
6 of whether Scientology should, or should not, enjoy tax exempt
7 status. Further, the rights in question cannot be waived and
8 violations of law cannot be excused by exculpatory contracts.
9 (Authorities cited below.)

10 3) Plaintiff seeks payment for her work at minimum wage,
11 overtime pay, an injunction against forced abortions and other
12 remedies authorized by law. Plaintiff seeks to establish that
13 Defendants are subject to labor laws including the laws against
14 forced labor. Defendants are prone to hiding behind grandiose
15 claims of religiosity; however, there is no omnipotent
16 "religious" defense to save Defendants in this case. The claims
17 of religion as a defense to violation of law are also
18 disingenuous. In promotional literature, Scientology's founder
19 L. Ron Hubbard answered the rhetorical question, "What is
20 Scientology" in the following terms: "Scientology is today the
21 only successfully validated psychotherapy in the
22 world...Scientology is a precision science." (From the "Technical
23 Bulletins" of L. Ron Hubbard.) Is it a therapy, science or
24 religion? It does not matter for purposes of the labor laws,
25 which apply in any case, but such inconsistencies reveal the
26 nature of the beast.

27 4) Defendant Church of Scientology International (CSI)
28 represents itself to be the "Mother Church" of Scientology. CSI

1 has its principal office and apparent headquarters in Los
2 Angeles, California. The County of Los Angeles is an appropriate
3 venue for this action. Defendant CSI controls lower level
4 organizations, develops and markets promotional materials, and
5 charges for its activities.

6 5) Religious Technology Center (hereinafter "RTC")
7 purports to be a California non-profit corporation. RTC's role
8 in the corporate shell game of the Scientology enterprise is to
9 police access and use of L. Ron Hubbard's works. RTC supposedly
10 protects copyrighted material and trademarks. It is not clear
11 exactly what RTC is protecting, although it clearly plays the
12 role of "enforcer". RTC is quick to claim copyright infringement
13 whenever anything Hubbard related is mentioned in the media, or
14 by critics. But copyright protection applies to expressions of
15 an idea, not to the idea itself. It is basic copyright law that
16 copyright protection does not cover "any idea, procedure,
17 process, system, method of operation, concept, principle or
18 discovery, regardless of the form in which it is ...embodied" (17
19 USC §102(b)). Whatever the legal propriety of its business
20 operations, RTC is a business. RTC charges fees for protection
21 of claimed intellectual property rights and is therefore
22 inherently a commercial enterprise. RTC effectively controls CSI
23 and other entities in the Scientology enterprise. The head of
24 RTC, David Miscavige, is responsible for setting and enforcing
25 the significant business practices of both Defendants CSI and
26 RTC, including rules against minimum wage, overtime pay and
27 having children.

1 6) Plaintiff Claire Headley worked for Defendants at below
2 minimum wage compensation from 1991 to 2005. Generally,
3 Plaintiff's work duties were clerical and secular in nature.
4 Plaintiff is currently a resident of Los Angeles, California.

5 7) At times herein material, and continuing, Defendants
6 CSI and RTC were and are enterprises conducting business, and
7 employers paying employees to conduct said business, within the
8 State of California and in interstate commerce. Accordingly,
9 said Defendants are subject to California and Federal laws
10 concerning their work force, working conditions, business
11 practices, minimum wage, payment for overtime and the protection
12 of minors. As alleged in more detail herein, Defendants have
13 systematically ignored and violated said laws to the damage of
14 Plaintiff Headley and others similarly situated.

15 8) Plaintiff is uncertain with respect to the identity of
16 all persons or entities responsible and liable for this wrongful
17 conduct and names said potential parties as Doe Defendants 1 - 10
18 as authorized by California law. Doe Defendants 11 - 20 are
19 those potential Defendants who may participate in wrongful
20 retaliation, witness intimidation and fraudulent transfer or
21 concealment of assets to avoid payment of judgment in this case.

22 9) Defendants CSI and RTC, related Scientology entities
23 and potential Doe Defendants, claim that workers such as
24 Plaintiff are not entitled to the benefits and protections of the
25 labor laws. The weight of authority is contrary to Defendants'
26 self-granted immunity from state and federal labor laws. As
27 stated by the California Supreme Court, "... [To] permit religious
28 beliefs to excuse acts contrary to law... would be to make

1 professed doctrines of religious belief superior to the law of
2 the land, and in effect to permit every citizen to become a law
3 unto himself." Catholic Charities of Sacramento, Inc. v.
4 Superior Court (2004) 32 Cal.4th 527, 541 (Citing the U.S.
5 Supreme Court) Historically, the Scientology enterprise has
6 considered itself just as described by the court - a law unto
7 itself.

8 10) The U.S. Supreme Court has ruled that non-profit and
9 religious entities must abide by labor laws including laws on
10 wages and employment of minors. In the Alamo case (cited below),
11 the court also found that persons performing work for a religious
12 entity are covered by the labor laws even if they claim not to
13 want or qualify for the protection of the labor laws. Workers of
14 religious entities are protected by the labor laws irrespective
15 of whether workers consider themselves to be employees. The
16 protection of labor laws cannot be waived. For purposes of
17 minimum wage and child labor laws, employment is evaluated in the
18 context of economic reality. Tony & Susan Alamo Foundation v.
19 Sec. of Labor, (1985) 471 US 290. In accord, Mitchell v. Pilgrim
20 Holiness Church Corp. 210 F.2d 879 (7th Cir. 1954). See also,
21 Prince v. Massachusetts, (1944) 321 U.S. 158 (Child Labor).

22 11) The California Supreme Court and the Ninth Circuit
23 Court of Appeals have also found in well-considered opinions that
24 religions are not exempt from laws of general applicability such
25 as the labor laws. There is no constitutional right to exemption
26 from minimum wage and child labor laws. See e.g. Elvig v. Calvin
27 Presbyterian Church, 397 F.3d 790, 792 (9th Cir. 2003) (citing 3
28

1 U.S. Supreme Court cases) and North Coast Women's Care Medical
2 Group, Inc. v. Superior Court, (2008) 44 Cal.4th 1145.

3 12) Defendants attempt to avoid their duties under the
4 labor laws by the pretext of converting "employees" to
5 "volunteers". This ruse is ineffective for several reasons. The
6 test of employment looks to "economic reality" (Alamo), which
7 "economic reality" test may include a consideration of "control
8 over wages, hours or working conditions" (8 CCR §11090(d)(7)).
9 "Economic reality" is not determined by labels, titles or self-
10 serving paper trails contrived by lawyers trying to minimize or
11 obscure Defendant's legal obligations and liabilities. An
12 "employee" who is called an independent contractor, a volunteer
13 or "religious worker" is still an "employee". An "employer" that
14 calls itself a religion or religious order is still an
15 "employer". As the court observed when evaluating employment in
16 Estrada v. FedEx Ground Package System, Inc. (2007) 154
17 Cal.App.4th 1, 10: "...[I]f it looks like a duck, walks like a
18 duck, swims like a duck and quacks like a duck, it is a duck."
19 Simply put, if it looks like employment and has the attributes of
20 employment, it is employment. Defendants are drawing dead on the
21 employment test.

22 13) The California Division of Labor Standards Enforcement
23 publishes a manual that is available to the public. With respect
24 to employment, on page 21 of the Enforcement Policies and
25 Interpretation Manual of the state agency responsible for
26 enforcing the California labor laws "employer" is defined as
27 follows:
28

1 "Employer", Defined: The definition of employer for
2 purposes of California's labor laws, is set forth in
3 the Wage Orders promulgated by the Industrial Welfare
4 Commission at Section 2 (see Section 55.2.1.2 of this
5 Manual), and reads in relevant part as follows:

6 "Employer" means any person . . . who
7 directly or indirectly, or through an agent
8 or any other person, employs or exercises
9 control over the wages, hours, or working
10 conditions of any person. (E.g., 8 CCR
11 §11090(2)(F))"

12 In section 2.1, the manual defines the term "employee" as
13 follows: "Generally, the term means any person employed by an
14 employer."

15 14) In 1993, CSI knew that it employed employees, not
16 volunteers. One of CSI's own publications defines "employee" as
17 follows:

18 "Legally, an employee is defined as someone who
19 performs a service where the employer can control what
20 will be done and how it will be done..." (Tax Compliance
21 Manual Published by Church of Scientology
22 International for use by Churches and Missions of
23 Scientology, 1993)

24 15) Defendants were required by law to post various notices
25 concerning wages, hours and working conditions. For example,
26 Industrial Welfare Commission Order 4-2001 applies to clerical
27 employees such as Plaintiff. Under 2. Definitions it defines
28 "employ", "employee" and "employer" as follow:

- 1 a) "Employ" means to engage, suffer, or
2 permit to work.
- 3 b) "Employee" means any person employed by an
4 employer.
- 5 c) "Employer" means any person as defined in
6 Section 18 of the Labor Code, who directly
7 or indirectly, or through an agent or any
8 other person, employs or exercises control
9 over the wages, hours, or working
10 conditions of any person. (Emphasis
11 added)

12 This definition of "employer" in California labor law is
13 restated in the Division of Labor Standards Enforcement Manual,
14 Page 2-1 citing 8 CCR §11090(d) (7).

15 16) Plaintiff is informed and believes that Defendants have
16 engaged in a program to have employees purport to waive or
17 disavow claims of employment or minimum wage. Under the
18 principles applied by the Alamo court and the definitions
19 employed by the California Labor Code, the parties' perceptions
20 and documents do not control or govern applications of the labor
21 laws. Waivers and "acknowledgments" of purported payment of all
22 amounts due are invalid as a matter of law and, regarding payment
23 of all amounts due as wages, simply not true. Facts control over
24 labels. The minimum wage and other labor laws are mandatory, not
25 optional, which is demonstrated in numerous authorities, some of
26 which are cited herein. Case law recognizes the strong public
27 policy behind minimum wage, overtime and mandatory off-time laws.
28 The labor laws protect the weaker employee from being exploited

1 by the stronger employer and against the "evils of overwork".
2 The public policy would be thwarted if it could be avoided by
3 having workers sign various purported waivers, agreements and
4 false acknowledgments. See e.g. Gentry v. Superior Court
5 (Circuit City Stores, Inc.) (2007) 42 Cal.4th 443 at 445-6. The
6 public policy is particularly applicable where the worker is
7 dependant upon the job for a living. In this case, Plaintiff was
8 dependant upon her work and labor for Defendants, which satisfies
9 the "economic reality test". As explained in Real v. Driscoll
10 Strawberry Associates, Inc. 603 F.2d 748, 754 (9th Cir 1979):
11 "Courts have adopted an expansive interpretation of the
12 definitions of "employer" and "employee" under the FLSA, in order
13 to effectuate the broad remedial purposes of the Act...The common
14 law concepts of "employee" and "independent contractor" are not
15 conclusive determinants of the FLSA's coverage. Rather, in the
16 application of social legislation employees are those who as a
17 matter of economic reality are dependent upon the business to
18 which they render service." (Emphasis in original) Also,
19 Defendants controlled Plaintiff's work, which adds to the proof
20 of an employer/employee relationship under California law.

21 17) The protections of the labor laws cannot be lost, and
22 the underlying reality is not changed, by Scientology's obsessive
23 quest for self-serving documents. See e.g. Civil Code §3513,
24 Labor Code 1194, County of Riverside v. Superior Court (Madrigal)
25 (2002) 27 Cal.4th 793 and Abramson v. Juniper Networks, Inc.
26 (2004) 115 Cal.App.4th 638. A review of Defendants' documents
27 over time is illustrative of their tactics. Early versions of
28 documents used terms such as "employee" and "employment

1 contract". The job did not change but the labels changed in an
2 apparent attempt to build hurdles for potential employee
3 plaintiffs. "Contracts of Employment" became "Religious
4 Commitment" and employees became "religious workers".
5 Defendants' documents have numerous examples of attempting to
6 transform covered employees into mere "volunteers". This course
7 of conduct is ineffective and deceitful. The labels do not
8 change facts and, even if so, there is no "religious worker"
9 exemption to labor laws.

10 18) Plaintiff would be entitled to at least minimum wage
11 and overtime for her work even if there was an agreement to the
12 contrary. (Labor Code §§1194 & 206.5) (There was no such valid
13 agreement.) The U.S. Supreme Court has held that the protections
14 of the federal labor laws cannot be abridged or waived. See e.g.
15 Barrentine v. Arkansas-Best Freight System, (1981) 450 U.S. 728,
16 740. Also, one cannot escape responsibility for illegal or
17 wrongful conduct by the use of purported exculpatory contracts.
18 Civil Code §1668. In addition to statutory restrictions on
19 waivers, any such purported written waiver of employment rights
20 would not be enforceable on numerous other grounds including
21 duress, menace, illegality, lack of consideration and
22 unconscionability. Under controlling laws, Defendants CSI and
23 RTC had non-waivable duties to comply with wage, hour and minor
24 labor laws. Defendants breached said duty.

25 19) The core facts cannot be seriously disputed. Plaintiff
26 was employed by Defendants from 1991 to 2005 and was not paid
27 minimum wage or overtime. Plaintiff worked long hours including
28 100+ hour weeks at below minimum wage, no compensation for

1 overtime and insufficient time off. The work week was seven days
2 not six as required by law. In the course of, and by reason of
3 her employment with Defendants, Plaintiff was ordered to have
4 abortions, at her expense, and in fact was coerced and
5 intimidated into having abortions to keep her job with Defendant.
6 Plaintiff is informed and believes that Defendants continue to
7 ignore labor laws and coerce pregnant workers into forced
8 abortions.

9 20) When working for Defendants CSI and RTC, Plaintiff was
10 dependant upon Defendants for sustenance and income. Defendants
11 controlled her income, hours and working conditions. Plaintiff
12 was not a part-time volunteer who had other work and could come
13 and go as she pleased. The extreme opposite was the case.
14 Plaintiff was not allowed to have other employment or source of
15 income. Plaintiff had a rigid work schedule. Plaintiff's work
16 activities and hours were controlled by Defendant employers.
17 Plaintiff was required to wear a uniform at work and could have
18 her pay docked if she did not take proper care of her work
19 uniform. Plaintiff was not free to leave Gold Base. She needed
20 someone's permission to take time off or to do most anything.

21 21) This case asserts labor code violations, and other
22 improper, illegal or unfair business practices as actionable
23 under Business and Professions Code §17200. The operative
24 statute underlying the first cause of action may be triggered by
25 essentially all business torts and statutory violations,
26 including violations of federal law, which are independently
27 actionable under the California body of law on unfair competition
28 and business practices. The California Supreme Court has

1 expressly ruled that labor code violations are actionable under
2 this law. The difference between what was paid as wages and what
3 should have been paid under minimum wage and overtime laws
4 qualifies as restitution damages under B&P Code §17203. Cortez v.
5 Purolator Air Filtration Products Co. (2000) 23 Cal.4th 163, 177-
6 179.

7 22) This case has been brought within the four year statute
8 of limitation period for a B&P Code §17200 action and the five
9 year period for human trafficking actions. For purposes of B&P
10 §17200 et. seq., the four year statute of limitations starts to
11 run upon reasonable discovery of the claim. See, e.g. Broberg v.
12 The Guardian Life Ins. Co. of America (3/2/09) __Cal App 4th__
13 (B199461). See also, Puentes v. Wells Fargo Home Mortgage, Inc.
14 (2008) 160 Cal.App.4th 638, 645 (B&P §17200 "fraud" is different
15 from common law fraud, less is required.) Plaintiff did not
16 discover her potential claims for labor code and other violations
17 against either Defendant until recently and well within the four
18 year period for both Defendants. Further, to the extent
19 Defendants may attempt to use statute of limitation arguments to
20 limit damages or attack certain aspects of this case, Defendants
21 are estopped from using the statute of limitations to avoid
22 responsibility for their continuing violations of the Labor Code
23 and efforts to deceive employees into thinking they have no
24 claims. See, e.g. 3 Witkin Procedure, "Actions" §§762-772.

25 Defendants' deceitful and manipulative conduct, including their
26 failure to post legally required notices and wage orders,
27 operates to equitably and legally estopp Defendants from using
28

1 time bars to escape liability for an ongoing course of illegal
2 and coercive conduct.

3 23) The circumstances of this case make the failure to post
4 legally mandated notices to employees of their rights
5 particularly outrageous and causative with respect to deceiving
6 employees about their right to lawful wages and working
7 conditions. Plaintiff started working for Defendant CSI while
8 still a minor. Plaintiff had no previous work experience and was
9 unfamiliar with the rights of employees, such as the right to
10 receive minimum wage and overtime. Defendants led Plaintiff to
11 believe that she had few rights. Also, Defendants claim that
12 they are law-abiding corporate citizens. Plaintiff was taught
13 that L. Ron Hubbard wrote that Scientology should follow the laws
14 of the land. (They missed the part about LRH and Scientology
15 also getting to decide what laws apply to them.) In the context
16 of starting as a minor, not finishing high school, having little
17 contact with the outside world and being told that Scientology
18 followed the law, the lack of required posted notice was
19 particularly effective in keeping Plaintiff ignorant of her
20 rights such as the right to receive minimum wage for her work.

21 24) Plaintiff is informed and believes that Defendants and
22 their agents have engaged in retaliation for filing labor claims
23 with the Department of Labor and have engaged in wrongful
24 intimidation and tampering with respect to potential witnesses
25 and additional claimants. Defendants and their agents have
26 contacted employees of Plaintiff's business and threatened
27 employees with harassing subpoenas that would prevent them from
28 working and allegedly force the employees of Plaintiff's family

1 business to sit at depositions or trial for extended period of
2 time without pay. Plaintiff is informed and believes that
3 Defendants have gone on a mission to silence witnesses and
4 potential plaintiffs, and that Defendants have used threats,
5 intimidations, coercion and promises of forgiving alleged debt
6 for purposes of silencing witness and former employees who
7 experienced similar wages and working conditions while previously
8 employed by Defendants or a similar Scientology organization.

9 **THE CLAIRE HEADLEY SHORT STORY**

10 25) Plaintiff Headley worked for Defendants until January,
11 2005. At times herein material, Plaintiff performed secular work
12 for Defendants. During her employment at Defendant RTC,
13 Plaintiff's duties including being an office assistant for David
14 Miscavige, the head of the Scientology enterprise.

15 26) From an early age, Plaintiff was pressured into signing
16 an employment contract with the Scientology enterprise. The
17 pressure started when Plaintiff was nine years old. In 1989, at
18 age fourteen, Plaintiff signed her first "Contract of Employment"
19 with the Scientology enterprise. Of course, as a minor she was
20 incompetent to enter into an employment contract. Plaintiff was
21 not allowed to have a copy of the document she signed.

22 27) Plaintiff recalls that while she was working for
23 Defendant CSI or Defendant RTC, her supposed written contract of
24 employment was with an unincorporated entity known as the Sea
25 Org. Plaintiff was never employed by the Sea Org. She was
26 employed by CSI and RTC.

27 28) At age fourteen, Plaintiff Headley had not completed
28 high school. By law, Plaintiff Headley was required to attend

1 school and forbidden from almost all types of labor or
2 employment. Compulsory education and child labor laws did not
3 deter Scientology from trying to pressure Plaintiff into dropping
4 out of school and going to work for CSI at the young age of
5 fourteen. Plaintiff's mother intervened and Plaintiff's
6 employment by Scientology was postponed for approximately two
7 years.

8 29) Plaintiff was told she could complete her education
9 while working for the Scientology enterprise. Additional
10 representations were made to entice her to quit school and start
11 working for Defendants. The enticing representations were, for
12 the most part, not consistent with Plaintiff's subsequent
13 experiences. Scientology targets the young and attempts to take
14 advantage of their youth and immaturity. Plaintiff yielded to
15 the pressure and hard-sell tactics, quit school and started
16 working for Scientology at age sixteen. Initially, she was
17 assigned menial labor such as cleaning and washing dishes.
18 Somewhat later, Plaintiff began working for Golden Era
19 Productions, an unincorporated division of Defendant CSI. Golden
20 Era Productions is a commercial enterprise. Golden Era makes
21 films, videos and promotional materials which are sold, leased or
22 licensed to various Scientology organizations and the public.
23 Plaintiff did office work at Golden Era Productions. She was not
24 a minister and Golden Era was not a church.

25 30) In 1994, while working for Golden Era Productions of
26 CSI, Plaintiff became pregnant. She was nineteen at the time.
27 Having children was against the dictates of RTC and its absolute
28 ruler, David Miscavige. CSI was bound to follow the rules as

1 proclaimed by Mr. Miscavige and RTC. Plaintiff had witnessed two
2 other employees refuse to have abortions. They were demoted and
3 ordered to perform heavy manual labor for months. Plaintiff was
4 concerned about the potential consequences of doing hard labor
5 while pregnant and quite reasonably was reluctant to suffer the
6 punishment of manual labor for being pregnant. At age nineteen,
7 Plaintiff was effectively stuck at CSI and pregnant. She was
8 dependant upon CSI for support. Plaintiff had been working for
9 far less than minimum wage, had little money, no place to go and
10 no medical insurance for pregnancy care, delivery or a new baby.
11 Plaintiff felt trapped and without viable options. She would be
12 demoted or punished if she had the child. She had an abortion to
13 keep her position at Golden Era/CSI and not risk the adverse
14 consequence of having her baby.

15 31) In 1996, there was a second forced abortion. Plaintiff
16 had been transferred from CSI to Defendant RTC. She was sent to
17 Clearwater, Florida to be trained for her new position at RTC.
18 Plaintiff was given a pregnancy test and found to be pregnant.
19 Plaintiff was not allowed to communicate with her husband,
20 friends or family about her pregnancy. She was not allowed to
21 contact her husband, Marc Headley, for advice, console or his
22 input on aborting their baby. She had no money, no insurance, no
23 housing for a baby, no credit, no high school diploma and no job
24 prospects except for her employment at RTC. To keep that
25 employment on which she was dependant, Plaintiff was forced to
26 have a second abortion at her expense.

27 32) After her second abortion, Plaintiff returned to work
28 at RTC. Plaintiff's position involved clerical and

1 administrative work under the "Chairman of the Board" (COB),
2 David Miscavige.

3 33) At times herein material, Plaintiff was under the undue
4 influence of both Defendants. Defendant took unfair advantage of
5 this undue influence. Plaintiff started work at CSI while still
6 a minor. She did not have a high school education or the
7 experience of attending a high school. Plaintiff's worldview was
8 molded by Defendants to a large extent. Plaintiff's contacts
9 with the outside were limited and controlled for years. In this
10 context, the failure of Defendants, as employers, to post the
11 required Notices of Employee rights has increased significance.
12 Defendants' employees are almost totally dependant upon the
13 employer (CSI and RTC) for such basic information. Plaintiff was
14 ignorant of her rights vis-à-vis Defendants. The message CSI and
15 RTC sends to their employees, including Plaintiff, is that the
16 employees have no realistic rights and that the rights and powers
17 of Scientology's upper management are virtually unlimited.
18 Further, employees such as Plaintiff are told they would owe
19 Scientology substantial sums of money, frequently in the \$100,000
20 range, if they "breach" their contract of employment by quitting
21 the job. Plaintiff was essentially an employee at will who could
22 quit the employment without breaching a contract of employment;
23 however Plaintiff did not know that. Plaintiff's perception,
24 which was largely the product of living and working conditions at
25 Defendants' Gold Base, was that Defendants were ruthless and
26 powerful, and that Plaintiff was substantially under their
27 control.

1 34) Plaintiff does not have copies of any instruments such
2 as purported releases, contracts, waivers and similar documents
3 forced upon her. Defendants do not give employees copies of most
4 documents. If an employee wants to quit, and risk breaching a
5 purported employment contract, the employee is threatened with a
6 long and unpleasant process of punishment and interrogation.
7 This is designed to prevent employees from seriously thinking
8 about leaving their employment with a Scientology enterprise and
9 coercing a return from those who try to escape. Plaintiff was
10 reasonably intimidated by the threat of hard labor, sleep
11 deprivation, confinement, physical restraint, lack of food and
12 isolation from her husband or others who might help her.

13 35) While working for Defendants, Plaintiff's life and work
14 was substantially controlled by the management of the Scientology
15 enterprise and Defendants. At times herein material, Plaintiff
16 was watched and guarded for the purpose of controlling her and
17 trying to prevent her escape. At times, Plaintiff was required
18 to sleep in her office, not her bed. When she finally escaped,
19 she was followed and confronted with threats at a bus station.

20 **ALLEGATIONS COMMON TO ALL COUNTS**

21 36) Defendants CSI and RTC have been on notice, and
22 presumably aware, that the "church" defense did not apply to
23 most, if not all, of its work force since at least the
24 publication of the Alamo case in 1985. CSI's Tax Compliance
25 Manual, initially published in 1993 and applicable to Defendant
26 RTC by its very terms, shows that Defendants were more than on
27 notice. They knew that they had employees and that this required
28 compliance with laws governing employees. Rather than follow the

1 law and give notice to employees of their rights, CSI and RTC
2 have focused their efforts on attempting to evade the labor law
3 and keep employees ignorant of their rights. Defendants' efforts
4 have been misplaced and legally ineffective. Plaintiff and other
5 persons who work for CSI or RTC with the expectation of receiving
6 benefits and compensation upon which they are dependant, or who
7 work under the control of said Defendants, are entitled to the
8 protection of the labor laws. See e.g. Tony & Susan Alamo
9 Foundation v. Sec. of Labor, (1985) 471 US 290 and 8 CCR
10 §11090(d)(7).

11 37) As stated in cases cited above, and other controlling
12 authorities, the First Amendment does not exempt religious
13 organizations from minimum wage and child labor laws. Plaintiff
14 is entitled to the protection of the law as against the improper
15 conduct of Defendants. Defendants intentionally, consciously and
16 wrongfully made a tactical decision to ignore the labor laws,
17 deceive employees about their rights, take chances with a
18 compliant and intimidated work force, and hope that the running
19 of statutes of limitations would in the long run save Defendants
20 millions of dollars. For this and other reasons, Defendants CSI
21 and RTC should be estopped from asserting any statute of
22 limitation defense to Plaintiff's claims for proper compensation
23 and any statute of limitation should be found inapplicable as a
24 defense by reason of Defendants' deceit and concealment
25 concerning Plaintiff's rights.

26 38) Pursuant to California Minimum Wage Order NW-2007, and
27 other wage orders that apply and should have been posted for
28 Plaintiff's benefit at CSI and RTC when she worked at each place

1 respectively, employees have considerable rights. These basic
2 employee rights include being entitled to notice of said rights
3 being posted in prominent places in the workplace. Pursuant to
4 California Wage Orders, Defendants CSI and RTC were required to
5 post effective notice and pay Plaintiff minimum wage and overtime
6 compensation without any deduction for the purported value of
7 room and board furnished to Plaintiff. In computing unpaid
8 wages, therefore, Plaintiff is entitled to recover the full
9 amount of minimum wages, overtime and penalties due without
10 offset. Further, recovery should be allowed for the entire
11 period of employment under the "continuing violations doctrine.
12 See, Watson v. Department of Rehabilitation (1989) 212 Cal.App.3d
13 1271, 1290. Plaintiff seeks injunctive relief in the form of a
14 court order that Defendants post Notices and Wage Orders as
15 required by law.

16 39) Defendants CSI, RTC and Doe Defendants, have engaged in
17 unlawful, unfair and/or fraudulent business practices, which have
18 caused Plaintiff Headley injury in fact. These improper business
19 activities include, but are not limited to: a) intimidation by
20 threat, menace and invasion of privacy, b) failure to pay minimum
21 wage, c) failure to pay overtime, d) failure to give proper
22 breaks, rest periods and days off, e) depriving minors of
23 required education, f) working minor employees illegal hours at
24 illegal tasks, g) not paying full wages upon termination, h)
25 typically demanding releases for wages due or to become due in
26 violation of the Labor Code, i) refusing employees access to
27 their files, j) coercing workers to sign instruments that
28 purportedly govern employment rights upon demand and refusing to

1 give workers copies of required documents and k) failing to give
2 employees proper notice of their rights to the protection of the
3 labor laws, including the right to receive minimum wage, overtime
4 pay and time off.

5 40) Defendants CSI and RTC have engaged in additional
6 unlawful and unfair business practices actionable under B&P Code
7 §17200. Further investigation may disclose additional violations
8 of law and unfair business practices committed by Defendant. In
9 addition to the unlawful and unfair practice described above, one
10 or more Defendants has committed the following unlawful or unfair
11 practices:

12 a) Retaliation against Plaintiff's family business
13 and others for pursuing labor claims, which is a violation
14 of Labor Code 1102.5 and 98.6, and intimidation of
15 potential witnesses. Defendants have interfered with
16 Plaintiff's business by threatening employees of said
17 business with subpoenas that will allegedly tie them up in
18 court and depositions for many days without pay.
19 Defendants have also offered to forgive alleged debts for
20 services rendered in return for what are essentially
21 agreements not to testify or support labor claims being
22 made against Defendants CSI and RTC.

23 b) Defendants CSI and RTC use economic coercion and
24 threats of debt collection to control, coerce and
25 intimidate employees such as Plaintiff. Defendants remind
26 employees that Defendants will charge a "Freeloader Debt"
27 should employees "breach" the purported employment
28 contract. The threat of debt collections is used to

1 intimidate and coerce employees into continuation of
2 working under unlawful conditions. At the conclusion of
3 Plaintiff's employment with Defendants, Scientology
4 asserted a "Freeloader Debt" against Plaintiff in the
5 amount of \$96,580. Plaintiff had worked hard for years for
6 fifty cents (50¢) per hour or less and supposedly owed her
7 employer \$96,580. The use of the "Freeloader Debt" to
8 force workers into the performance of labor for Defendants
9 is one of the threats and coercive tactics used by
10 Defendants to insure a continuation of forced labor from
11 Plaintiff and other employees.

12 c) Defendants still recruit minors and work them
13 illegally; however, current employees are ordered to have
14 abortions. The very young have no work value to Defendant
15 and would interfere with the parent's employment with
16 Defendants. Plaintiff was in fact a victim of this illegal
17 and outrageous practice, in violation of her civil and
18 Constitutional rights, which is actionable under B&P Code
19 §17200 as an illegal business practice.

20 d) Requiring that employees submit to interrogation
21 on a primitive lie detector type device called an e-meter
22 in violation of state and federal laws prohibiting
23 mandatory use of lie detectors or similar devices in
24 interrogations and examinations as a condition of continued
25 employment. See e.g., Labor Code §432.2.

26 e) Engaging in Human Trafficking and forced labor in
27 violation of state, federal and common law as alleged in
28 more detail below.

1 f) Refusing to give employees copies of signed
2 instruments in violation of Labor Code §432

3 g) Violation of Plaintiff's inalienable rights
4 guaranteed by Article 1, Section 1 of the California
5 Constitution including Plaintiff's right to privacy and to
6 make her own free choice on having children. See e.g. Hill
7 v. National Collegiate Athletic Assn. (1994) 7 Cal.4th 1,
8 15-16 and American Academy of Pediatrics v. Lungren (1997)
9 16 Cal.4th 307, 332-334.

10 41) Defendant worked for both CSI and RTC, however, that is
11 a distinction with little or no significance. All employees at
12 Gold Base are under the control of David Miscavige. Mr.
13 Miscavige's title is Chairman of the Board (COB). Mr. Miscavige
14 micromanages Gold Base and demands to approve all decision of any
15 consequence whether the supposed corporate entity is CSI or RTC.
16 As COB, Mr. Miscavige was effectively Plaintiff's real boss even
17 when not her immediate supervisor. Mr. Miscavige ostensibly as
18 head of RTC was responsible for the orders and policies
19 underlying this lawsuit. Mr. Miscavige and RTC are responsible
20 for the "no baby" rule. Mr. Miscavige and RTC enforce the rules,
21 including those applied by CSI, with respect to minimum wage,
22 overtime and working conditions in general. It is Mr. Miscavige
23 and RTC that puts the RPF fear into employees at Gold Base. It
24 is Mr. Miscavige of RTC that orders CSI and Golden Era
25 Productions to do what they do, including violation of labor laws
26 and human rights. CSI and RTC are joint actors and co-
27 conspirators with respect to the conscious failure to pay legal
28 wages and subject employees at Gold Base to abusive and illegal

1 working conditions. Both Defendants had a role and are
2 responsible for the violations of duty and harm to Plaintiff
3 alleged herein. Defendant RTC ultimately controlled the working
4 conditions at Gold Base for employees of RTC and CSI, including
5 the concerted and cooperative effort of Defendants RTC and CSI to
6 set wages at below minimum wage, decline overtime pay as being
7 contrary to so-called Hubbard "Tech" and failing to post Wage
8 Orders or provide other notices that would alert employees of
9 both Defendants that they were entitle to basic employment
10 protection, such as minimum wage. In so doing, Defendants acted
11 as the agents and co-conspirators of each other.

12 **FIRST CAUSE OF ACTION FOR RESTITUTION FOR**
13 **UNFAIR PRACTICES UNDER B&P §17200 ET. SEQ**

14 42) Plaintiff Headley realleges and incorporates the above
15 paragraphs in their entirety and the allegations below in the
16 Second and Third Causes of Action.

17 43) Defendant CSI, RTC and Doe Defendants have engaged in
18 illegal and unfair business practices in violation of B&P Code
19 §17200. Several illegal predicate acts are alleged in paragraphs
20 32 and 33 above. The illegal acts include, but are not limited
21 to, violations of state and Federal labor laws as alleged in more
22 detail herein. The California Supreme Court has held that
23 failure to pay proper wages is also actionable under B&P Code
24 §17200 and that restitution of wages unlawfully withheld, or not
25 paid when due, is a remedy authorized by B&P Code §17200 and
26 §17203. Cortez v. Purolator Air Filtration Products Co. (2000)
27 23 Cal.4th 163, 177-179.

1 44) Plaintiff Headley has suffered injury in fact and has
2 standing to sue under B&P Code §17203 by reason of the illegal
3 and unfair business practices alleged herein. Plaintiff has
4 standing for herself, and as a representative of persons
5 wrongfully ordered and intimidated like Plaintiff, into having
6 unwanted abortions or coerced into providing forced labor. Among
7 other things, upon termination of her employment in 2005,
8 Plaintiff was entitled to timely payment of all wages due. At
9 the time of termination, Defendants owed Plaintiff several years
10 of back pay, which comes to an amount well in excess of \$25,000
11 and which will be sought in accordance with proof at trial.

12 45) Plaintiff brings this action for the public good and is
13 therefore entitled to recover reasonable attorney's fees and
14 costs. (C.C.P. 1021.5)

15 **SECOND CAUSE OF ACTION FOR INJUNCTIVE**

16 **RELIEF RE UNFAIR BUSINESS PRACTICES**

17 46) Plaintiff Headley realleges all paragraphs above in
18 support of her second cause of action, which does not seek
19 economic damages but seeks to enjoin certain illegal activity,
20 to-wit coercing pregnant females to abort the child.

21 47) Pursuant to B&P Code §17203, this court is empowered to
22 enjoin the illegal conduct of Defendant CSI described herein.

23 48) Plaintiff Headley was employed by Defendants CSI and
24 RTC for many years before leaving in 2005. During this time,
25 Plaintiff became pregnant on two occasions. Plaintiff was
26 ordered to terminate these pregnancies by forced abortions.
27 Plaintiff was required to have abortions to remain an employee in
28 good standing with Defendants and to avoid adverse consequences

1 in her future employment. Plaintiff is aware that this was a
2 relatively common practice at Gold Base. Plaintiff has knowledge
3 of numerous other female employees ordered to have abortions.
4 Plaintiff is informed and believes that forced abortions are
5 continuing and that female employees are coerced into having
6 abortions by order of RTC and its so-called Chairman of the Board
7 (COB), David Miscavige.

8 49) Forcing pregnant employees to have abortions
9 constitutes discrimination against female employees, a violation
10 of state and federal law and a violation of Plaintiff's
11 inalienable constitutional rights, including the rights of
12 privacy. See e.g. Rojo v. Kliger (1990) 52 Cal.3d. 65, 82, 89-
13 90, Hill v. National Collegiate Athletic Assn., supra and
14 American Academy of Pediatrics v. Lungren, supra. Defendants
15 ordered and coerced abortions primarily to get more work out of
16 their pregnant employees and to avoid child care issues.
17 Coercing female employees to have abortions cannot be justified
18 on "religious" grounds; however, forced abortions are not a
19 "religions practice". Forced abortions are a business practice
20 of Defendants CSI and RTC. Among other things, forced abortions
21 constitute an illegal business practice enjoined under B&P
22 §17200 et. seq. Plaintiff seeks an order banning this practice
23 in the future.

24 50) Pursuant to the law, Plaintiff Headley is entitled to
25 an award for reasonable attorney's fees with respect to this
26 cause of action.

27 **THIRD CAUSE OF ACTION FOR FORCED LABOR aka HUMAN TRAFFICKING**

1 51) Plaintiff Headley realleges all paragraphs above in
2 support of her third cause of action for human trafficking.

3 52) Penal Code Section 236.1 states in pertinent part as
4 follows: "(a) Any person who deprives or violates the personal
5 liberty of another..., to obtain forced labor or services, is
6 guilty of human trafficking."

7 53) Wrongfully coerced labor was codified as a crime in the
8 California Penal Code in 2005. However, forced labor and human
9 trafficking have been criminal under Federal law since 2000,
10 involuntary servitude has been a crime for decades and forced
11 labor would constitute a common law tort under California law.
12 The California criminal law of human trafficking is cumulative to
13 pre-existing tort, common law and Federal law prohibitions
14 against coerced labor and human trafficking.

15 54) Subsection (d)(1) of Penal Code Section 236.1 clarifies
16 that a victim's personal liberty is deprived when there is a
17 "substantial and sustained restriction of another's liberty
18 accomplished through fraud, deceit, coercion, violence, duress,
19 menace, or threat of unlawful injury to the victim or to another
20 person[...]"

21 55) Subsection (d) of Penal Code Section 236.1 defines
22 "forced labor or services" as "labor or services that are
23 performed or provided by a person and are obtained or maintained
24 through force, fraud, or coercion, or equivalent conduct that
25 would reasonably overbear the will of the person."

26 56) California Civil Code Section 52.5 authorizes a civil
27 cause of action for victims of human trafficking. Civil Code
28 §52.5 applies to this case, although not enacted until 2005.

1 Said Civil Code section is a rule of procedure and remedies, not
2 substantive law. Statutes of limitations are considered rules of
3 procedure. Rules of procedure apply as presently stated. That
4 Plaintiff left Defendants' employ in 2005 does not make the 2005
5 rules of procedure applicable to this case. The current rules
6 apply.

7 57) Defendants CSI and RTC deprived Plaintiff of her
8 personal liberty by substantially restricting her freedoms and by
9 their systematic practice of threatening, coercive tactics, which
10 were and are intended to restrict workers such as Plaintiff from
11 freedom of movement, thought and choice, and from obtaining
12 access to the outside world, deprive them of meaningful
13 competitive options, and subjugate the workers' will to that of
14 defendants. Defendants thus deceitfully, fraudulently and
15 coercively secure, at the expense of Plaintiff's liberty, forced
16 labor at illegal wages.

17 58) At times herein material (circa 1996 - 2005), Plaintiff
18 Headley worked for Defendants at Scientology's international base
19 at Hemet, California. This facility, known as Gold Base, was a
20 secret base for many years. Most Scientologists did not know of
21 its existence.

22 59) Gold Base resembles a prison camp, the workers inmates.
23 A razor-wire topped fence encircles Gold Base with sharp inward
24 pointing spikes to prevent escape. The gates are guarded at all
25 times, preventing employees from freely coming and going.
26 Security guards patrol the grounds, motion sensors are placed
27 throughout, and surveillance posts surround the perimeter, all of
28 which are intended to keep workers in the facility. One cannot

1 leave without permission and permission is seldom granted except
2 to a select few. Workers, including Plaintiff, are restricted to
3 the base and not permitted to leave.

4 60) Plaintiff was deprived of normal liberties as a matter
5 of standard course. Her freedom of movement was essentially
6 restricted to the Gold Base where she was confined. Contact with
7 the outside world was prohibited, which prevented Plaintiff from
8 phoning or emailing for help. When Plaintiff's liberties weren't
9 being deprived, they were being violated by Defendant, who opened
10 and read Plaintiff's mail. Foreign workers had their passports
11 taken.

12 61) Defendants would subject workers who fail to follow
13 orders to severe, sometimes corporal, punishment. Workers who are
14 caught trying to escape have been physically assaulted and
15 restrained. Plaintiff was aware of how Defendants had
16 restrained, assaulted, punished and tracked down workers who had
17 attempted to escape from Gold Base. Defendants employ one
18 particular punishment which involves relegating workers to a
19 program known as the Rehabilitation Project Force (or "RPF").
20 Workers assigned to the RPF are subjected to a brutal regimen of
21 manual labor, have no freedom of movement and are subjected to
22 almost total deprivations of personal liberties. Working
23 conditions on the RPF are so horrible that its mere existence
24 serves as a deterrent and intimidates workers, such as Plaintiff,
25 into a state of fear and compliance vis-à-vis to Defendants. The
26 RPF can be arguably more severe in punishment and violations of
27 personal liberties than solitary confinement in prison.

1 62) Gold Base at Hemet is considered by RTC and CSI
2 management to be a high security area. The employees there are
3 considered to be greater security risks should they become free
4 than most employees at other CSI and/or RTC facilities. The
5 increased level of security of Gold Base reflects this concern.
6 It was generally understood by most employees that no one "blows
7 Int" (Scientology speak for "no one gets out of Gold Base"). The
8 fences and security patrols were a reminder. Shortly after her
9 husband Marc Headley escaped, Plaintiff was called into meetings
10 with RTC staff. Plaintiff was told by RTC agents that her
11 husband Marc would be found and brought back to Gold Base by
12 order of David Miscavige, the Chairman of the Board of Defendant
13 RTC. During her time at Gold Base, Plaintiff was lead to believe
14 by RTC and CSI that if she left she would be pursued, tracked
15 down and brought back to RTC. Then she would be punished.
16 Plaintiff remained in reasonable fear and apprehension that her
17 personal liberties would be further violated in the future unless
18 she continued to provide services and labor to Defendants, on
19 their terms, and as ordered by Defendants.

20 63) In addition to human trafficking laws, coerced or
21 forced labor is a form of involuntary servitude that has been
22 outlawed since the ratification of the Thirteenth Amendment.
23 Freedom from forced labor is a constitutional, statutory and
24 common law right. See, e.g. 18 USC §1584, Penal Code §181, Civil
25 Code §43, Article 1, Section 1 of the California Constitution,
26 United States v. Mussry (9th Cir. 1984) 726 F.2d 1448 and Moss v.
27 Superior Court (1998) 17 Cal.4th 396.

1 64) Forced labor has been a crime under Federal Human
2 Trafficking statutes since at least 2000. (18 USC §1589 Forced
3 Labor) The elements of forced labor under Federal law are
4 essentially the same as the California Human Trafficking
5 violations described above.

6 65) Pursuant to 18 USC §§1593 and 1595, Plaintiff has a
7 private cause of action under the Federal Human Trafficking laws,
8 including 18 USC §1589 "Forced Labor", on which Plaintiff may
9 recover the full amount of her loss, including payment at minimum
10 wage and for overtime and reasonable attorneys fees.

11 66) The private cause of action for forced labor under 18
12 USC §§1589, 1593 and 1595 does not have a statute of limitation
13 provision in the Federal Human Trafficking law. In that
14 circumstance, state procedural law applies and sets the
15 appropriate statute of limitation rule. See, 3 Witkin Procedure,
16 "Actions" §58.

17 67) The appropriate and applicable statute of limitation
18 rule of procedure to a forced labor/human trafficking claim,
19 state or federal, is the five year statute of limitation in Civil
20 Code §52.5. This cause of action for forced labor and human
21 trafficking was timely commenced against both Defendants.

22 68) In addition to being a violation of statutory and
23 common law rights, and an unfair business practice actionable
24 under B&P §17200 et. seq., Plaintiff may enforce her rights under
25 both Federal and State human trafficking law under Civil Code
26 §52.1(b)(h), which authorizes a civil action for protection of
27 rights and authorizes damages, injunctive relief and attorneys
28 fees. Civil Code §52.1 entitled Civil Actions for protection of

1 rights, damages, injunctive and other equitable relief.. states in
2 part:

3 "(b) Any individual whose exercise or enjoyment of
4 rights secured by the Constitution or laws of the
5 United States, or of rights secured by the
6 Constitution or laws of this state, has been
7 interfered with, or attempted to be interfered with,
8 as described in subdivision (a), may institute and
9 prosecute in his or her own name and on his or her own
10 behalf a civil action for damages, including, but not
11 limited to, damages under Section 52, injunctive
12 relief, and other appropriate equitable relief to
13 protect the peaceable exercise or enjoyment of the
14 right or rights secured." (Emphasis added)

15 69) As set forth in Penal Code §236.2, the "indicators" of
16 human trafficking are as follows:

- 17 a) Signs of trauma, fatigue, injury, or other evidence
18 of poor care.
- 19 b) The person is withdrawn, afraid to talk, or his or
20 her communication is censored by another person.
- 21 c) The person does not have freedom of movement.
- 22 d) The person lives and works in one place.
- 23 e) The person owes a debt to his or her employer.
- 24 f) Security measures are used to control who has
25 contact with the person.
- 26 g) The person does not have control over his or her own
27 government-issued identification or over his or her
28 worker immigration documents.

1 These indicators are present to various extents in the workforce
2 at Gold Base and most if not all would apply to Plaintiff
3 herein.

4 70) Plaintiff has been damaged by reason of providing
5 forced labor to Defendants, which damages will be sought in
6 accordance with proof at trial and to the full extent authorized
7 by law, including Civil Code Section 52.5 et seq.

8 WHEREFORE, Plaintiff requests:

9 1) A jury trial;

10 2) Restitution according to proof under the First Cause of
11 Action;

12 3) A permanent injunction prohibiting Defendants and their
13 agents from ordering and/or coercing abortions under the
14 Second Cause of Action;

15 4) All damages authorized by law for human trafficking as
16 alleged in the Third Cause of Action, including actual
17 damages, back pay, compensatory damages, punitive
18 damages and injunctive relief;

19 5) An award of reasonable attorney's fees computed with an
20 appropriate lodestar in consideration of the difficult
21 and litigious nature of Defendants;

22 6) Such other relief as the court may deem just including
23 costs and an order that Defendants post Notices and Wage
24 Orders as required by California law.

25 April 20, 2009
26
27
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

BARRY VAN SICKLE
Attorney for Plaintiff
CLAIRE HEADLEY