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6 MARC HEADLEY

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

9
10 **MARC HEADLEY,**) **CASE NO. BC404958**
11)
12) **Plaintiff,**) **PLAINTIFF'S SECOND AMENDED**
13) **COMPLAINT FOR:**
14) **vs.**)
15) **1) UNFAIR PRACTICES UNDER**
16) **CHURCH OF SCIENTOLOGY**) **B&P §17200 ET. SEQ**
17) **INTERNATIONAL, a corporate**) **2) LABOR CODE VIOLATIONS**
18) **entity, AND DOES 1 - 20**) **3) FORCED LABOR aka HUMAN**
19) **Defendants.**) **TRAFFICKING**
20) **ASSIGNED TO THE HONORABLE JANE**
21) **L. JOHNSON, DEPT. 56**
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19 **INTRODUCTION**

20 1) This case challenges Scientology's long-standing
21 practice of evading labor laws and depriving workers of basic
22 human rights. Plaintiff Marc Headley ("Headley") worked long
23 hard hours for illegal wages and was subjected to violations of
24 personal rights and liberties by Defendant Church of Scientology
25 International ("CSI"). As explained in some detail below,
26 Defendant CSI disregards the labor laws and subjects it employees
27 to a coercive and controlling environment. Since leaving the
28 Scientology enterprise, Plaintiff has reported Defendant's labor

1 law violations to the California Labor Commission and filed the
2 initial Complaint in this action. Defendant has wrongfully
3 retaliated against Plaintiff for these proper and privileged
4 actions.

5 2) This case is not conceptually difficult from a legal
6 perspective and it only asks that Scientology organizations be
7 required to obey laws they ignore. Simply stated, 1) Plaintiff
8 was an employee, 2) Defendant was the employer, 3) the employee
9 was paid illegal wages and coerced and 4) employer owes
10 additional compensation. Under controlling law, Plaintiff was
11 entitled to the protections of the labor laws, including legal
12 wages, hours and working conditions. Plaintiff's case is
13 supported by statutory law and decisions of the U.S. Supreme
14 Court, the California Supreme Court and the Ninth Circuit Court
15 of Appeals. Defendant CSI is subject to labor laws and other
16 neutral laws of general applicability irrespective of whether
17 Scientology should, or should not, enjoy tax exempt status.
18 Further, the rights in question cannot be waived and violations
19 of law cannot be excused by exculpatory contracts. (Authorities
20 cited below.)

21 3) Plaintiff seeks payment for his work at minimum wage,
22 overtime pay and other remedies authorized by law. Plaintiff
23 seeks to establish that Defendant CSI is subject to labor laws
24 including the laws against forced labor. Defendant is prone to
25 obscuring its malfeasance with grandiose claims of religiosity;
26 however, there is no omnipotent "religious" defense to save
27 Defendant in this case. The claims of religion as a defense to
28 violation of law are also disingenuous. In promotional

1 literature under the subtitle "What is Scientology?"
2 Scientology's founder L. Ron Hubbard wrote as follows:
3 "Scientology is today the only successfully validated
4 psychotherapy in the world...Scientology is a precision science."
5 (From the "Technical Bulletins" of L. Ron Hubbard.) Depending
6 upon its self-interest, Scientology presents itself as a
7 "technology", science, therapy, philosophy or religion, however,
8 for purposes of the labor laws and human trafficking laws it does
9 not matter because, whatever Scientology is, Defendant CSI is
10 also an employer with employees who are subject to the laws of
11 the land.

12 4) Human Trafficking is commonly misunderstood. Coerced
13 labor is one variation of the crime. As alleged below, forced
14 labor has been a crime since 2000 and prior to that it was
15 actionable as involuntary servitude or a common law tort. No
16 movement across borders is required. It is not limited to
17 immigrants. As set forth in Penal Code §236.2, the "indicators"
18 of human trafficking are as follows:

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

1 g) The person does not have control over his or his own
2 government-issued identification or over his or his
3 worker immigration documents.

4 These indicators are present to various extents in the workforce
5 at Plaintiff's previous place of employment with Defendant and
6 most if not all of these "indicators" of human trafficking would
7 apply to Plaintiff herein at various times during his employment
8 at Defendant CSI.

9 5) A day in Plaintiff's life when working for CSI at Gold
10 Base would include three attendance checks called "Musters". The
11 employees lined up for roll call. The purpose of "musters" is to
12 discourage escape and cut down the head start of any fleeing
13 "volunteer". In Gold Base jargon, leaving is "blowing". There
14 is a "blowing" drill that is practiced. There is a "blowing"
15 procedure commenced when someone is missing. If it is dark,
16 floodlights illuminate the base. Executives are sent to the
17 local bus station and similar escape routes.

18 6) Amongst "Musters", the work day was frequently 15 - 20
19 hours. Plaintiff was sleeping 3 - 4 hours a night and working
20 the rest of the day. At night, people are assigned to watch the
21 sleeping quarters. Long hours, poor food, lack of sleep and lack
22 of freedom is the norm. The "indicators" of human trafficking
23 provide an accurate description of daily life at Gold Base.
24 Employees must obey without question. Plaintiff was once
25 punished by being put in a "waste treatment" collection center.
26 On another occasion, Plaintiff was physically assaulted by David
27 Miscavige, Scientology's supreme ruler for not showing Mr.
28 Miscavige the proper respect.

1 7) For several hundred thousand dollars, you can reach a
2 level within Scientology that presents the story of why the
3 practice of Scientology is useful. Scientology teaches that Lord
4 Xenu killed millions of people on earth 75 million years ago and
5 that the aftermath is responsible for mankind's problems. Proper
6 application of Hubbard "technologies" can fix the problem.
7 Defendant will argue that its employees are elite Scientologists,
8 however this both misses the point and is misleading.
9 "Employees" are still "employees" and most of Defendant's
10 employees know relatively little about Scientology. Plaintiff
11 never heard the Xenu story until he left Scientology. Most
12 supposedly "elite" employees do not know what Scientology sells
13 to "public" Scientologists for millions of dollars. While
14 Scientology represents its workers as being super Scientologists,
15 most, like was Plaintiff, are just grunts working hard for the
16 bare necessities of life.

17 8) Defendant's tax-exempt status does not excuse it from
18 complying with other laws. In fact, Scientology's secret deal
19 with the IRS, most of which has been published in the Wall Street
20 Journal, requires just the opposite. The privilege of being a
21 tax-exempt organization carries the burden of complying with
22 other laws and not being operated for the benefit of a selected
23 few. The use of coerced, cheap labor is contrary to law and
24 Defendant's tax-exempt deal with the IRS.

25 9) Defendant CSI claims that its workers are "volunteers",
26 "religious workers" or just about anything but "employees" or
27 persons with legal rights. Following CSI's "religious" argument
28 to its logical conclusion, there are apparently no limits to the

1 abuse Scientology organizations, such as Defendant CSI, can
2 inflict on those who work for it. According to Defendant,
3 "Volunteers" and "religious workers" apparently give up all of
4 their human rights. As alleged in more detail with legal
5 authorities below, Defendant is wrong. Defendant has employees
6 and there are legal limits to the abuse even a purported religion
7 can perpetrate upon its victims.

8 **PLAINTIFF WAS AN EMPLOYEE OF DEFENDANT**

9 10) Scientology documents refer to its workers as
10 employees. For example, Scientology's own website,
11 www.Scientologytoday.org, has a somewhat fanciful description of
12 the Sea Org; however it also notes that the "Sea Org" is not the
13 employer. In this case, Defendant CSI, not the Sea Org, is the
14 employer. It has the following admission that its workers are,
15 of course, "employees". It states:

16 "...All advanced churches and management-echelon
17 church organizations employ only members of
18 the Sea Organization religious order. While
19 such members sign legally binding employment
20 contracts and are responsible to the directors
21 and officers of the church where they are
22 employed..."

23 (www.scientologytoday.org/corp/ministry2.htm)

24 11) In 1993, CSI knew that it employed employees, not
25 volunteers. One of CSI's own publications defines "employee" as
26 follows:

27 "Legally, an employee is defined as someone
28 who performs a service where the employer

1 can control what will be done and how it
2 will be done..." (Tax Compliance Manual
3 Published by Church of Scientology
4 International for use by Churches and
5 Missions of Scientology, 1993)

6 12) This definition in CSI's tax compliance manual focuses
7 on "control" of the employee, and his or her work, as does the
8 definition of "employer" used by the pertinent state agency. The
9 California Division of Labor Standards Enforcement publishes a
10 manual that is available to the public. With respect to
11 employment, on page 21 of the Enforcement Policies and
12 Interpretation Manual of the state agency responsible for
13 enforcing the California labor laws "employer" is defined as
14 follows:

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

20 "Employer" means any person . . . who
21 directly or indirectly, or through an agent
22 or any other person, employs or exercises
23 control over the wages, hours, or working
24 conditions of any person. (E.g., 8 CCR
25 §11090(2)(F))"

26 In section 2.1, this manual defines the term "employee" as
27 follows: "Generally, the term means any person employed by an
28 employer."

1 13) Defendant CSI was required by law to post various
2 notices concerning wages, hours and working conditions. For
3 example, Industrial Welfare Commission Order 4-2001 applies to
4 clerical employees such as Plaintiff. Under 2. Definitions it
5 defines "employ", "employee" and "employer" as follow:

6 a) "Employ" means to engage, suffer, or
7 permit to work.

8 b) "Employee" means any person employed by an
9 employer.

10 c) "Employer" means any person as defined in
11 Section 18 of the Labor Code, who directly
12 or indirectly, or through an agent or any
13 other person, employs or exercises control
14 over the wages, hours, or working
15 conditions of any person. (Emphasis
16 added)

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

20 14) Defendant Church of Scientology International (CSI)
21 represents itself to be the "Mother Church" of Scientology. CSI
22 has its principal office and apparent headquarters in Los
23 Angeles, California. The County of Los Angeles is an appropriate
24 venue for this action. Defendant CSI controls lower level
25 organizations, develops and markets promotional materials, and
26 charges for its activities. Defendant CSI may or may not be a
27 church in the ordinary sense of the term, however, CSI
28

1 indisputably has a commercial function and aspect. CSI has
2 employees and Plaintiff was once one of them.

3 **A BRIEF REVIEW OF SUPPORTING CASES**

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

18 16) The California Supreme Court and the Ninth Circuit
19 Court of Appeals have also found in well-considered opinions that
20 religions are not exempt from laws of general applicability such
21 as the labor laws. There is no constitutional right to exemption
22 from minimum wage and child labor laws. See e.g. Elvig v. Calvin
23 Presbyterian Church, 397 F.3d 790, 792 (9th Cir. 2003) (citing 3
24 U.S. Supreme Court cases) and North Coast Women's Care Medical
25 Group, Inc. v. Superior Court, (2008) 44 Cal.4th 1145.

26 17) For purposes of the minimum wage and similar laws, the
27 test of employment looks to "economic reality" not labels, titles
28 or a self-serving paper trail crafted by lawyers trying to

1 minimize or obscure Defendant's legal obligations and
2 liabilities. An "employee" who is called an independent
3 contractor, a volunteer or religious worker is still an employee.
4 As the court observed when evaluating employment in Estrada v.
5 FedEx Ground Package System, Inc. (2007) 154 Cal.App.4th 1, 10:
6 "...[I]f it looks like a duck, walks like a duck, swims like a duck
7 and quacks like a duck, it is a duck." Simply put, if it looks
8 like employment and has the attributes of employment, it is
9 employment. The protections of the labor laws cannot be lost and
10 the underlying reality is not changed, by Scientology's obsessive
11 quest for self-serving documents. See e.g. Civil Code §3513,
12 Labor Code 1194, County of Riverside v. Superior Court (Madrigal)
13 (2002) 27 Cal.4th 793 and Abramson v. Juniper Networks, Inc.
14 (2004) 115 Cal.App.4th 638

15 18) Under the principles applied by the Alamo court, the
16 parties' perceptions and documents do not control or govern
17 applications of the labor laws. That would effectively make
18 minimum wage and other labor laws optional, not mandatory, which
19 is not the law. Also, the courts have recognized the strong
20 public policy behind minimum wage, overtime and mandatory off-
21 time laws. The labor laws protect the weak employee from being
22 exploited by the stronger employer and against the "evils of
23 overwork". Gentry v. Superior Court (Circuit City Stores, Inc.)
24 (2007) 42 Cal.4th 443 at 445-6. Plaintiff was dependant upon his
25 work and labor for Defendant, which satisfies the economic
26 reality test. As stated in Real v. Driscoll Strawberry
27 Associates, Inc. 603 F.2d 748, 754 (9th Cir 1979) "Courts have
28 adopted an expansive interpretation of the definitions of

1 "employer" and "employee" under the FLSA, in order to effectuate
2 the broad remedial purposes of the Act...The common law concepts of
3 "employee" and "independent contractor" are not conclusive
4 determinants of the FLSA's coverage. Rather, in the application
5 of social legislation employees are those who as a matter of
6 economic reality are dependent upon the business to which they
7 render service." (Emphasis in original)

8 19) Plaintiff was not a part-time volunteer who had other
9 work and could come and go as he pleased. The extreme opposite
10 was the case. Plaintiff had a rigid work schedule and was
11 dependant upon his employment and work with Defendant CSI for the
12 bare necessities of life. Plaintiff's activities, time, location
13 and work were controlled by defendant employers. Plaintiff's
14 compensation was based in part on the job performance of
15 Plaintiff and his fellow employees. Plaintiff was not free to
16 leave Gold Base. There were multiple roll calls each day to
17 check on the presence of employees. If someone was not accounted
18 for, a major program was activated to find and retrieve the
19 missing worker. There was a "drill" for escaping workers. Such
20 drills were practiced and used to monitor and retrieve those who
21 tried to escape. There were persons assigned to watch and report
22 absences. As the monitors might try to escape, there were others
23 whose job was to monitor the monitors for a second level of
24 security to prevent workers from leaving Gold Base.

25 20) Plaintiff was employed by Defendant CSI from 1989 to
26 2005 and was not paid minimum wage or overtime. Plaintiff worked
27 long hours including 100+ hour weeks at below minimum wage, no
28 compensation for overtime and insufficient time off. The work

1 week was seven days not six as required by law. Plaintiff is
2 informed and believes that Defendants continue to ignore labor
3 laws.

4 21) This case asserts labor code violations, and other
5 improper, illegal and unfair business practices, in a first cause
6 of action brought under Business and Professions Code §17200.
7 The operative statute underlying the first cause of action may be
8 triggered by essentially all business torts and statutory
9 violations, including violations of federal law, which are
10 independently actionable under the California body of law on
11 unfair competition and business practices. The California
12 Supreme Court has expressly ruled that labor code violations are
13 actionable under this law. The difference between what was paid
14 as wages and what should have been paid under minimum wage and
15 overtime laws qualifies as restitution damages under B&P Code
16 §17203. Cortez v. Purolator Air Filtration Products Co. (2000) 23
17 Cal.4th 163, 177-179.

18 22) Defendant CSI, related Scientology entities and
19 potential Doe Defendants claim that workers such as Plaintiff are
20 not entitled to the benefits and protections of the labor laws.
21 The weight of authority is contrary to Defendant's self-granted
22 immunity from state and federal labor laws. As stated by the
23 California Supreme Court, "... [to] permit religious beliefs to
24 excuse acts contrary to law... would be to make professed doctrines
25 of religious belief superior to the law of the land, and in
26 effect to permit every citizen to become a law unto himself."
27 Catholic Charities of Sacramento, Inc. v. Superior Court (2004)
28 32 Cal.4th 527, 541 (Citing the U.S. Supreme Court).

1 Historically, the Defendant CSI has considered itself just as
2 described by this court - a law unto itself.

3 23) At times herein material, and continuing, Defendant CSI
4 was and is an enterprise conducting business, and an employer
5 paying employees to conduct said business, within the State of
6 California and in interstate commerce. Accordingly, said
7 Defendant is subject to California and Federal laws concerning
8 their work force, working conditions, business practices, minimum
9 wage, payment for overtime and the protection of minors. As
10 alleged in more detail herein, Defendant has systematically
11 ignored and violated said laws to the damage of Plaintiff Headley
12 and others similarly situated.

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

20 **FIRST CAUSE OF ACTION FOR VIOLATION**

21 **OF B&P CODE §17200 ET. SEQ**

22 25) Plaintiff Headley realleges and incorporates the above
23 paragraphs in their entirety.

24 26) Plaintiff Marc Headley worked for CSI from 1989 to
25 January, 2005. When initially recruited into employment with the
26 Scientology enterprise, Plaintiff was told he would be paid
27 minimum wage. Plaintiff was a minor at the time. Plaintiff was
28 paid minimum wage for his first several months of employment.

1 Plaintiff was then transferred to a different position and told
2 he would no longer be paid minimum wage. Plaintiff signed his
3 first purported employment contract at age eleven. Plaintiff was
4 employed by Defendant CSI for fifteen years under unlawful
5 working conditions.

6 27) Plaintiff worked for an unincorporated division of
7 Defendant CSI known as Golden Era Productions. Plaintiff's wages
8 came from CSI. Plaintiff's duties were secular and commercial in
9 nature. Golden Era Productions is a business enterprise.
10 Plaintiff worked on films and promotional materials that were
11 sold, licensed to various Scientology organizations, or used for
12 the commercial purposes of Golden Era Productions/CSI.

13 28) While working at CSI and its Golden Era Productions
14 unit, Plaintiff was led to believe that he had few effective
15 rights as an employee. Plaintiff was forced to sign various
16 documents over the years under duress and not given copies of
17 said documents. Plaintiff is informed and believes, and
18 therefore alleges that unlawful and unconscionable terms were
19 contained in various instruments obtained by duress and
20 intimidation. Plaintiff continued to work under unlawful
21 conditions, and signed whatever was demanded, in large part,
22 because he was wrongly convinced by Defendant CSI that he had no
23 meaningful employment rights or viable options.

24 29) In the course of his employment with Defendant CSI,
25 Plaintiff was assaulted by the leader of the Scientology
26 enterprise, David Miscavige, who was the head of RTC. This was a
27 show of power and domination. Plaintiff observed such heavy-
28 handed tactics used against his co-workers.

1 30) Defendant CSI has a duty to inform employees of their
2 true rights under the labor laws. The Wage Orders of the
3 governing state agency must be prominently displayed in the
4 workplace. Defendant CSI unlawfully failed and refused to post
5 Wage Orders and other required notices for employees. In
6 addition to the failure to post notices advising employees of
7 rights as required by law, CSI mislead its employees about their
8 rights. If an employee should inquire, the "per policy" response
9 would be that Scientology does not have to pay workers minimum
10 wage because "it's a church". Plaintiff came to accept such
11 misinformation while working for CSI, and for years thereafter.
12 Defendant CSI has been on notice that workers are entitled to at
13 least the protection of Federal labor laws since the publication
14 of the Alamo case in 1985, however, CSI has failed to follow the
15 labor laws or give its workers proper notice of their true legal
16 rights under labor laws. See, Tony & Susan Alamo Foundation v.
17 Sec. of Labor, 471 US 290 (1985), and Wage Orders of the
18 California Department of Industrial Relations.

19 31) The First Amendment does not exempt religious
20 organizations from minimum wage and child labor laws. Elvig v.
21 Calvin Presbyterian Church, 397 F.3d 790, 792 (9th Cir. 2003).
22 In accord, North Coast Women's Care Medical Group, Inc. v.
23 Superior Court, 44 Cal 4th 1145 (2008). Defendant had a duty
24 owed to Plaintiff and other employees similarly situated to
25 comply with the state and federal labor laws with respect to pay,
26 working conditions and notice of legal rights. Defendant
27 intentionally, consciously and wrongfully made a tactical
28 decision to ignore the labor laws, take its chances with a

1 compliant and intimidated work force, and hope that the running
2 of statutes of limitations would in the long run save CSI
3 millions of dollars.

4 32) Defendant CSI has claimed that Plaintiff Headley, and
5 apparently all of CSI's workers, have waived any right to the
6 protection of the labor laws; however, as a matter of state and
7 federal law, such rights cannot be waived. The Alamo case cited
8 above is one of numerous cases that establish that the rights in
9 question are not waivable. Further, any such purported written
10 waiver would not be enforceable on numerous other grounds
11 including duress, menace, illegality and lack of consideration.
12 Plaintiff was entitled to at least minimum wage and overtime for
13 his work even if there was an agreement to the contrary. (Labor
14 Code §1194) It is a misdemeanor for an employer to require a
15 release of compensation rights. (Labor Code §206.5) Regarding
16 federal laws, the U.S. Supreme Court has also ruled that the
17 protections of the federal labor laws cannot be abridged or
18 waived in Barrentine v. Arkansas-Best Freight System, 450 U.S.
19 728, 740 (1981). Under controlling laws, Defendant had a non-
20 waivable duty to comply with wage and minor labor laws.
21 Defendant breached said duty. Further, Plaintiff Headley made no
22 voluntary or effective waiver of pertinent rights.

23 33) Plaintiff worked for Defendants from 1989 to 2005 and
24 was not paid minimum wage or overtime. Plaintiff worked long
25 hours including 100+ hour weeks at below minimum wage, no
26 compensation for overtime and insufficient time off. The work
27 week was seven days not six as required by law. Plaintiff is
28

1 informed and believes that Defendants continue to ignore labor
2 laws.

3 34) Plaintiff is informed and alleges that at least some of
4 the documents he was required to sign while an employee of CSI
5 purported to exculpate Defendant and its agents from wrongful,
6 unlawful and illegal conduct in violation of Civil Code Sections
7 1667 and 1668. Civil Code §1668 states as follows:

8 "All contracts which have for their object,
9 directly or indirectly, to exempt any one from
10 responsibility for his own fraud, or willful
11 injury to the person or property of another, or
12 violation of law, whether willful or negligent,
13 are against the policy of the law."

14 35) In addition to purportedly waiving rights that cannot
15 be waived, Plaintiff is informed and alleges that said documents
16 were executed under a lack of proper and freely given consent
17 (Civil Code 1565-8), and are unconscionable, unenforceable and
18 otherwise invalid and subject to rescission and/or cancellation
19 by reason of duress, menace, fraud, undue influence, mistake and
20 being unlawful. (See Civil Code §§1569-1580.) Further,
21 unconscionable terms are unenforceable as a matter of law. (See
22 Civil Code §1670.5.)

23 36) Pursuant to California Minimum Wage Order NW-2007, and
24 other applicable Wage Orders, Defendant CSI was required to post
25 notice and pay Plaintiff minimum wage and overtime compensation
26 without any deduction for the purported value of room and board
27 furnished to Plaintiff. In computing unpaid wages, therefore,
28 Plaintiff is entitled to recover the full amount of minimum

1 wages, overtime and penalties due without offset. Plaintiff
2 computes his average wage at CSI to be about thirty-nine cents
3 (39¢) per hour.

4 37) In attempting to control, extort forced labor and evade
5 labor laws with respect to its employees, such as former employee
6 Plaintiff Headley, Defendant CSI and Doe Defendants, engaged in
7 unlawful, unfair and fraudulent business practices. These
8 improper activities include, but are not limited to, a)
9 intimidation by assault, threat, menace and invasion of privacy,
10 b) failure to pay minimum wage, c) failure to pay overtime, d)
11 failure to give proper breaks, rest periods and days off, e)
12 depriving minors of required education, f) working minor
13 employees illegal hours at illegal tasks, g) not paying full
14 wages upon termination, h) typically demanding releases for wages
15 due or to become due in violation of the Labor Code, i) refusing
16 employees access to their files, j) coercing workers to sign all
17 requested documents upon demand and refusing to give workers
18 copies of required documents and k) failing to put Wage Orders as
19 required by law and deceiving employees with respect to their
20 rights to the protection of the labor laws, all as was, and is,
21 required by law.

22 38) Defendant CSI has engaged in additional unlawful and
23 unfair business practices actionable under B&P Code §17200.
24 Further investigation may disclose additional violations of law
25 and unfair business practices committed by Defendant. In
26 addition to the unlawful and unfair practice described above, one
27 or more Defendants has committed the following unlawful or unfair
28 practices:

1 a) Retaliation against Plaintiff's family business
2 and others for pursuing labor claims, which is a violation
3 of Labor Code 1102.5 and 98.6, and intimidation of
4 potential witnesses.

5 b) Upon termination of employment, instead of paying
6 wages due, CSI claims that the employee has a debt owed to
7 the employer. In addition to being a further attempt to
8 pay less than legal wages for labor performed, and being an
9 unconscionable and unenforceable claim, the threat of a
10 "Freeloader Debt" is used to intimidate and coerce
11 employees into continuation of working under unlawful
12 conditions. At the conclusion of Plaintiff's employment
13 with Defendant, Scientology asserted a "Freeloader Debt"
14 against Plaintiff in excess of \$60,000. The use of the
15 "Freeloader Debt" to force workers into the performance of
16 labor for Defendant is one of the threats and coercive
17 tactics used by Defendant to intimidate, deceive and coerce
18 employees into providing continued labor under unlawful
19 working conditions.

20 c) David Miscavige, the absolute ruler of the
21 Scientology enterprise, has implemented a "no baby" rule.
22 The very young have no work value to Defendant and would
23 interfere with mother's employment with Defendants.
24 Plaintiff was in fact a victim of this illegal and
25 outrageous practice, in violation of his civil and
26 Constitutional rights, as his wife was ordered to abort
27 their child while keeping it a secret from Plaintiff, her
28 husband.

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

7 e) Engaging in Human Trafficking in violation of
8 state and federal law as alleged in more detail below.

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

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

17 40) Defendant CSI and Doe Defendants have engaged in
18 illegal and unfair business practices in violation of B&P Code
19 §17200, including but not limited to violations of state and
20 Federal labor laws. The California Supreme Court has held that
21 failure to pay proper wages is actionable and that restitution of
22 wages unlawfully withheld, or not paid when due, is a remedy
23 authorized by B&P Code §17200 and 17203. Cortez v. Purolator Air
24 Filtration Products Co. 23 Cal.4th 163, 177-179 (2000)

25 41) Plaintiff Headley has suffered injury in fact and has
26 standing to sue under B&P Code §17203 for himself and as a
27 representative of persons also entitled to restitution of unpaid
28 wages, overtime and waiting penalties. Among other things, upon

1 termination of his employment in 2005, Plaintiff was entitled to
2 timely payment of all wages due. At the time of termination,
3 Defendant CSI legally owed Plaintiff at least three years of back
4 pay, and under applicable law potentially back pay for
5 Plaintiff's entire period of working under unlawful conditions,
6 which comes to an amount well in excess of \$100,000 and which
7 will be sought in accordance with proof at trial.

8 42) B&P Code §17203 empowers this court to enjoin continued
9 violations of law by Defendant CSI. Plaintiff brings this action
10 for the public good and is therefore entitled to recover
11 reasonable attorney's fees and costs. (C.C.P. 1021.5)

12 43) This case has been brought within the four year statute
13 of limitation period for a B&P Code §17200 action and the five
14 year period for human trafficking actions. For purposes of B&P
15 §17200 et. seq., the four year statute of limitations starts to
16 run upon reasonable discovery of the claim. See, e.g. Broberg v.
17 The Guardian Life Ins. Co. of America (3/2/09) __Cal App 4th__
18 (B199461). See also, Puentes v. Wells Fargo Home Mortgage, Inc.
19 (2008) 160 Cal.App.4th 638, 645 (B&P §17200 "fraud" is different
20 from common law fraud, less is required.) Plaintiff did not
21 discover his claims for illegal or unfair business practices
22 under B&P §17200 et. seq., his claim to proper wages under the
23 labor code, and other potential claims against Defendant CSI
24 until well within the four year period prior to commencing this
25 action. Further, to the extent Defendant may attempt to use
26 statute of limitation defenses to limit damages or attack causes
27 of action with statute of limitations periods shorter than four
28 years, Defendant CSI is estopped from using the statute of

1 limitations to avoid responsibility for its continuing violations
2 of the Labor Code, its efforts to deceive employees into thinking
3 they have no claims and Defendant's fraudulent concealment of
4 claims by failing to post Wage Orders and other notices of
5 employee rights required by law. See, e.g. 3 Witkin Procedure,
6 "Actions" §§762-772. Defendants' deceitful and manipulative
7 conduct, including their failure to post legally required notices
8 and wage orders, operates to equitably and legally estopp
9 Defendants from using time bars to escape liability for an
10 ongoing course of illegal and coercive conduct.

11 44) Pursuant to California Minimum Wage Order NW-2007, and
12 other wage orders that apply and should have been posted for
13 Plaintiff's benefit, Plaintiff was entitled to notice of said
14 rights being posted in prominent places in the workplace.
15 Pursuant to California Wage Orders, Defendant CSI was required to
16 post effective notice and pay Plaintiff minimum wage and overtime
17 compensation without any deduction for the purported value of
18 room and board furnished to Plaintiff. In computing unpaid
19 wages, therefore, Plaintiff is entitled to recover the full
20 amount of minimum wages, overtime and penalties due without
21 offset. Further, recovery should be allowed for the entire
22 period of employment under the "continuing violations doctrine."
23 See, Watson v. Department of Rehabilitation (1989) 212 Cal.App.3d
24 1271, 1290.

25 **SECOND CAUSE OF ACTION FOR UNPAID WAGES AND PENALTIES**

26 45) Plaintiff Headley realleges all paragraphs above in
27 support of his second cause of action for unpaid wages, penalties
28 and other economic damages. As alleged above, this action is

1 timely because Defendant CSI is estopped from asserting the
2 statute of limitations under the labor code by reason of
3 Defendant's fraudulent concealment of said rights to-wit
4 Defendant's failure to post Notices and Wage Orders as required
5 by law and Defendant's use of bogus waivers and confidentiality
6 agreements to deceive employees and conceal Defendant's legal
7 responsibilities to pay minimum wage and otherwise comply with
8 labor laws. Defendant CSI is estopped to escape liability under
9 the labor laws by reason of its deceitful conduct in asserting a
10 statute of limitations defense to these labor claims.

11 46) Plaintiff Headley worked for Defendant CSI from 1989 -
12 2005. His average wage was less than fifty cents (50¢) per hour.

13 47) Plaintiff Headley is entitled to recover unpaid and
14 withheld legal wages including minimum wages unpaid, overtime
15 wages and waiting penalties all authorized by the California
16 Labor Code, which is in excess of \$25,000 and will be sought in
17 accordance with proof at trial.

18 48) Pursuant to the Labor Code, Plaintiff Headley is
19 entitled to an award for reasonable attorney's fees and costs.

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

21 49) Plaintiff Headley realleges all paragraphs above in
22 support of his third cause of action for human trafficking.

23 50) Forced labor has been a crime under Federal Human
24 Trafficking statutes since at least 2000. (18 USC §1589 "Forced
25 Labor") The elements of forced labor under Federal law are
26 similar to the California Human Trafficking violations described
27 below. Essentially, obtaining labor by use of, or threat of,
28

1 intimidation, duress, coercion, confinement, fraud or physical
2 punishment constitutes illegal forced labor.

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

11 52) Pursuant to 18 USC §§1593 and 1595, Plaintiff has a
12 private cause of action under the Federal Human Trafficking laws,
13 including 18 USC §1589 "Forced Labor", on which Plaintiff may
14 recover the full amount of his loss, including payment at minimum
15 wage and for overtime and reasonable attorneys fees.

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

22 54) The appropriate and applicable statute of limitation
23 rule of procedure to a forced labor/human trafficking claim,
24 state or federal, is the five year statute of limitation in Civil
25 Code §52.5. This cause of action for forced labor and human
26 trafficking was timely commenced against both Defendants.

27 55) In addition to being a violation of statutory and
28 common law rights, and an unfair business practice actionable

1 under B&P §17200 et. seq., Plaintiff may enforce his rights under
2 both Federal and State human trafficking law under Civil Code
3 §52.1(b)(h), which authorizes a civil action for protection of
4 rights and authorizes damages, injunctive relief and attorneys
5 fees. Civil Code §52.1 entitled Civil Actions for protection of
6 rights, damages, injunctive and other equitable relief.. states in
7 part:

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

20 56) As set forth in Penal Code §236.2, the “indicators” of
21 human trafficking are as follows:

- 22 a) Signs of trauma, fatigue, injury, or other evidence
23 of poor care.
- 24 b) The person is withdrawn, afraid to talk, or his or
25 his communication is censored by another person.
- 26 c) The person does not have freedom of movement.
- 27 d) The person lives and works in one place.
- 28 e) The person owes a debt to his or his employer.

1 f) Security measures are used to control who has
2 contact with the person.

3 g) The person does not have control over his or his own
4 government-issued identification or over his or his
5 worker immigration documents.

6 These indicators are present to various extents in the workforce
7 at Gold Base and most if not all would apply to Plaintiff
8 herein.

9 57) Penal Code Section 236.1 states in pertinent part as
10 follows: "(a) Any person who deprives or violates the personal
11 liberty of another..., to obtain forced labor or services, is
12 guilty of human trafficking."

13 58) Wrongfully coerced labor was codified as a crime in the
14 California Penal Code in 2005. However, forced labor and human
15 trafficking have been criminal under Federal law since 2000,
16 involuntary servitude has been a crime for decades and forced
17 labor would constitute a common law tort under California law.
18 The California criminal law of human trafficking is cumulative to
19 pre-existing tort, common law and Federal law prohibitions
20 against coerced labor and human trafficking.

21 59) Subsection (d)(1) of Penal Code Section 236.1 clarifies
22 that a victim's personal liberty is deprived when there is a
23 "substantial and sustained restriction of another's liberty
24 accomplished through fraud, deceit, coercion, violence, duress,
25 menace, or threat of unlawful injury to the victim or to another
26 person[...]"

27 60) Subsection (d) of Penal Code Section 236.1 defines
28 "forced labor or services" as "labor or services that are

1 performed or provided by a person and are obtained or maintained
2 through force, fraud, or coercion, or equivalent conduct that
3 would reasonably overbear the will of the person."

4 61) California Civil Code Section 52.5 authorizes a civil
5 cause of action for victims of human trafficking. Civil Code
6 §52.5 applies to this case, although not enacted until 2005.
7 Said Civil Code section is a rule of procedure and remedies, not
8 substantive law. Statutes of limitations are considered rules of
9 procedure. Rules of procedure apply as presently stated. That
10 Plaintiff left Defendants' employ in 2005 does not make the 2005
11 rules of procedure applicable to this case. The current rules
12 apply.

13 62) Defendant CSI deprived Plaintiff of his personal
14 liberty by substantially restricting his freedoms and by their
15 systematic practice of threatening, coercive tactics, which were
16 and are intended to restrict workers such as Plaintiff from
17 freedom of movement, thought and choice, and from obtaining
18 access to the outside world, deprive them of meaningful
19 competitive options, and subjugate the workers' will to that of
20 defendants. Defendants thus deceitfully, fraudulently and
21 coercively secure, at the expense of Plaintiff's liberty, forced
22 labor at illegal wages.

23 63) At times herein material (circa 1996 - 2005), Plaintiff
24 Headley worked for Defendants at Scientology's international base
25 at Hemet, California. This facility, known as Gold Base, was a
26 secret base for many years. Most Scientologists did not know of
27 its existence.

1 64) Gold Base resembles a prison camp, the workers inmates.
2 A razor-wire topped fence encircles Gold Base with sharp inward
3 pointing spikes to prevent escape. The gates are guarded at all
4 times, preventing employees from freely coming and going.
5 Security guards patrol the grounds, motion sensors are placed
6 throughout, and surveillance posts surround the perimeter, all of
7 which are intended to keep workers in the facility. One cannot
8 leave without permission and permission is seldom granted except
9 to a select few. Workers, including Plaintiff, are restricted to
10 the base and not permitted to leave. Defendant has a detailed
11 program to prevent escape. Defendant has "drills" that are
12 practiced known as "No Blow" drills. Flood lights are turned on
13 if one is determined to be missing. A comparison to a minor
14 security prison would not be an exaggeration.

15 65) Plaintiff was deprived of normal liberties as a matter
16 of standard course. Plaintiff's freedom of movement was
17 essentially restricted to the Gold Base or other place where work
18 was being done. Contact with the outside world was severely
19 restricted. Plaintiff did not have access to email, telephones,
20 the internet or uncensored television. Plaintiff was restricted
21 to seeing a limited and distorted view of the outside world.
22 Mail was opened, read and censored. Plaintiff's passport was
23 taken from him and held under lock and key where he could not
24 obtain it.

25 66) Defendant CSI threatened to, and did on numerous
26 occasions, subjected employees who disobeyed or questioned CSI's
27 absolute authority to severe, sometimes corporal, punishment.
28 Workers who were caught trying to escape have been physically

1 assaulted and restrained. Plaintiff was aware of how Defendant
2 CSI had restrained, assaulted, punished and tracked down workers
3 who had attempted to escape from Gold Base. Defendant CSI and
4 the ultimate boss, David Miscavige, use a punishment which
5 involves relegating workers to a program known as the
6 Rehabilitation Project Force (or "RPF"). Workers assigned to the
7 RPF are subjected to a brutal regimen of manual labor, have no
8 freedom of movement and are subjected to almost total
9 deprivations of personal liberties. Working conditions on the
10 RPF are incredibly harsh. The RPF serves as a deterrent and
11 intimidates workers, such as Plaintiff, into a state of
12 compliance vis-à-vis Defendant. Employees such as Plaintiff
13 rightfully fear being sent to the RPF and this coerces employees
14 into providing continued forced labor for Defendant CSI.

15 67) Gold Base at Hemet is considered by RTC and CSI
16 management to be a high security area. The employees there are
17 considered to be greater security risks should they become free
18 than most employees at other CSI and/or RTC facilities. The
19 increased level of security of Gold Base reflects this concern.
20 It was generally understood by most employees that no one "blows
21 Int" (Scientology speak for "no one gets out of Gold Base")
22 without a plan and without considerable risk. The fences and
23 security patrols were a reminder and it is in a relatively remote
24 and secluded area. During his time at Gold Base, Plaintiff was
25 lead to believe by CSI and RTC that if he left he would be
26 pursued, tracked down and put under great pressure to return.
27 There would be punishment if he was caught and retrieved.
28 Plaintiff remained in reasonable fear and apprehension that his

1 personal liberties would be further violated in the future unless
2 he continued to provide services and labor to Defendant CSI and
3 the ultimate boss of the Scientology enterprise David Miscavige,
4 on their terms, and as ordered by Defendant and Mr. Miscavige.

5 WHEREFORE, Plaintiff requests:

- 6 1) A jury trial;
- 7 2) Restitution and any other damages authorized by law and
8 according to proof under the First Cause of Action;
- 9 3) Damages authorized by Civil Code §52.5(a) et. seq.,
10 excluding punitive damages at this stage, or
11 alternatively federal or common law, for forced
12 labor/human trafficking as alleged in the Third Cause of
13 Action, including actual damages, back pay, compensatory
14 damages, and treble actual damages;
- 15 4) An award of reasonable attorney's fees computed with an
16 appropriate lodestar in consideration of the difficult
17 and litigious nature of Defendants;
- 18 5) Such other relief as the court may deem just including
19 costs.

20 April 28, 2009

21 /s/

22 BARRY VAN SICKLE
23 Attorney for Plaintiff
24 MARC HEADLEY
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