

Question 6

6. Please describe the formation and corporate structure of IAS and its "service arms." Please provide Exhibit I-9 information for IAS and its service arms.

The International Association of Scientologists ("IAS") has four separately-incorporated "service arms" --- Theta Management Limited ("TML"), International Membership Services Administration, N.V., d/b/a IAS Administrations ("IASA"), and Membership Services Administration (U.K.) Limited ("MSA"). As noted in previous responses, IAS uses these entities because, as an unincorporated association, IAS cannot hold any property or carry out any activities in a legally cognizable manner.

Theta Management Limited

TML was incorporated under the laws of Cyprus in October 1984 to perform fundraising and administrative services for the IAS. The initial shareholders were two Cypriots, Costas Kemidjis and Marina Marangos, each of whom, in accordance with the laws of Cyprus, held 2500 shares as nominees for IAS. In August 1986, at the direction of IAS, Marina Marangos assigned her nominal share ownership in TML to Taslaw Nominees, Ltd. ("Taslaw"), a Cyprus corporation. At the same time, Taslaw and Kemidjis executed declarations of trust and assignments in blank of their TML shares to Pauline Chatterton and Helen Wehl, respectively. On July 15, 1987, another 10,000 TML shares each were issued to Taslaw and Kemidjis, subject to new declarations of trust and assignments in blank to Chatterton and Wehl. On August 17, 1987, Chatterton and Wehl each executed individual declarations that each held 12,500 TML services in trust for the IAS.

TML has declared and paid dividends to IAS as follows:

1988	\$ 200,000
1989	348,000
1990	480,000
1991	539,500

TML has not paid any additional dividends.

IAS Administrations

IASA was incorporated as an offshore company under the laws of the Netherlands Antilles on December 22, 1987. The initial shareholders were Carl Heldt and Maureen Brigatti, as nominees for IAS; their nominee relationship was memorialized in a trust declaration dated November 15, 1990. On December 31, 1991,

Brigatti and Heldt entered into an agreement with CTM Administration Foundation, N.V. ("CTM"), a Netherlands Antilles corporation, under which CTM agreed to become IASA's registered shareholder as nominee for Brigatti and Heldt.

IASA has declared and paid dividends to the IAS as follows:

1989	200,000
1990	525,000
1991	425,000

IASA has paid no additional dividends.

Membership Services Administration (U.K.) Limited

MSA was incorporated on October 25, 1988. 99 of MSA's 100 outstanding shares are held directly by IASA; the other MSA share is held jointly by IASA and IASA's president, Janet Light, to comply with UK corporate law. MSA has paid no dividends.

Flow of Funds Between IAS and Its Incorporated Service Arms

Certain IAS expenses are paid directly from IAS bank accounts, principally bank and credit card charges and professional fees (attorneys and accountants). Some fundraising commissions also are paid directly from IAS accounts, and in the past, annual convention expenses also were paid directly from IAS accounts.

Most IAS administrative expenditures, however, are made through its incorporated service arms -- TML, IASA and MSA. During the years 1989-1991, IAS funds initially were disbursed to TML. TML then disbursed funds to IASA as necessary for administrative functions carried out by IASA. IASA likewise then disbursed funds to MSA as necessary for administrative functions carried out by MSA. Beginning in 1992, IAS began disbursing funds directly to IASA rather than through TML. MSA funds still are disbursed indirectly through IASA.

Analysis of Financial Money Flows

Attached as Exhibit IV-6 is Exhibit I-9 data for IAS, TML, IASA and MSA for the years 1989-1991 presented in the same manner as financial information about Churches of Scientology and related organizations was submitted previously to the Service.