DEFENDANT'S NOTICE OF MOTION AND MOTION TO STRIKE PORTIONS OF THE THIRD AMENDED COMPLAINT

the Court may permit and receive at or before hearing. Respectfully submitted, Dated: December 5, 2008 Timothy Bowles
Cynthia Bamforth
Attorneys for Defendant Diskeeper Corporation 28 Page 2
DEFENDANT'S NOTICE OF MOTION AND MOTION TO STRIKE

PORTIONS OF THE THIRD AMENDED COMPLAINT

MOTION TO STRIKE PORTIONS OF THIRD AMENDED COMPLAINT

Pursuant to Code of Civil Procedure §§ 435-437 and other applicable law, Diskeeper Corporation (defendant) moves to strike the following portions of plaintiffs Alexander J. Godelman and Marc Le Shay's November 5, 2008 third amended complaint (TAC) without leave to amend. Each numbered portion of this motion is an "item." Defendant attaches as Exhibit A an interlineated copy of the third amended complaint with each proposed modification of that pleading identified by item number.

A. IMPROPER INJUNCTIVE REMEDY

- 1. Complaint, First Cause of Action, paragraph 20, page 16, line 27 page 17, line 5: The Court should strike reference to the alternate reinstatement and injunctive relief remedy ("In the alternative, PLAINTIFFS seek full back pay and lost employment benefits through the date of trial, and reinstatement to their former positions accompanied by a mandatory and/or prohibitory injunction prohibiting Diskeeper from forcing or requiring any employee, as a condition of employment, to study, adopt and/or apply the so-called 'Hubbard Management Technology' and/or the related 'Hubbard Study Technology' (both of which PLAINTIFFS intend to prove at trial are 'cover' names for the fundamental teachings of the Scientology religion) in the workplace") as irrelevant, false and improper. Injunctive relief is not available for an alleged religiously based business model or for requiring employees to engage in such activity. See, e.g., EEOC v. Townley (9th Cir. 1988) 859 F.2d 610, 621 (improper to enjoin all mandatory workplace religious services or to require such services be strictly voluntary).
- 2. Complaint, Third Cause of Action, paragraph 34, pages 22, line 26-page 23, line 4: The Court should strike reference to the injunctive relief remedy ("In the alternative, PLAINTIFFS seek ... reinstatement ... accompanied by a mandatory and/or prohibitory injunction...in the workplace") as irrelevant, false and improper. As specified in item 1, above, such injunctive relief is improper.
 - 3. Complaint, Fifth Cause of Action, paragraph 48, page 28, lines 17 23:

2.5 2.19 The Court should strike reference to the injunctive relief remedy ("In the alternative, PLAINTIFFS seek ... reinstatement ... accompanied by a mandatory and/or prohibitory injunction...in the workplace") as irrelevant, false and improper. As specified in item 1, above, such injunctive relief is improper.

- 4. Complaint, prayer for relief, page 30, lines 13-17: The Court should strike reference to the injunctive relief remedy ("For prospective injunctive relief in the form of a prohibitory and/or mandatory injunction requiring Defendants to cease, desist and forever refrain from forcing or requiring any employee, as a condition of employment, to study, adopt and/or apply the so-called 'Hubbard Management Technology' and/or the related 'Hubbard Study Technology' in the workplace, according to proof at trial") as irrelevant, false and improper. As specified in item 1, above, such injunctive relief is improper.
- 5. Complaint, prayer for relief, page 31, lines 11-15: The Court should strike reference to the injunctive relief remedy ("For prospective injunctive relief in the form of a prohibitory and/or mandatory injunction...according to proof at trial") as irrelevant, false and improper. As specified in item 1, above, such injunctive relief is improper.
- 6. Complaint, prayer for relief, page 32, lines 8-12: The Court should strike reference to the injunctive relief remedy ("For prospective injunctive relief in the form of a prohibitory and/or mandatory injunction...according to proof at trial") as irrelevant, false and improper. As specified in item 1, above, such injunctive relief is improper.

Dated: December 5, 2008

Respectfylly submitted,

Timothy Bowles

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Attorneys for Defendant Diskeeper Corporation

TABLE OF CONTENTS

<u>PAGE</u>

TABLE OF AUTHORITIES iii
MEMORANDUM OF POINTS AND AUTHORITIES
I. INTRODUCTION
II. PLAINTIFFS SEEK TOTAL SHUTDOWN OF THIS EMPLOYER'S TRAINING AND ADMINISTRATIVE MODEL ON RELIGIOUS GROUNDS
II. TITLE VII PRECEDENT AND RULES OF CONSTITUTIONAL CONSTRUCTION BAR PLAINTIFFS' PROPOSED INJUNCTIVE RELIEF AS A MATTER OF LAW
V. PLAINTIFFS' PROPOSED INJUNCTION UNCONSTITUTIONALLY TARGETS ALLEGED RELIGIOUS PRACTICES
Plaintiffs' Injunction Remedy Poses a Significant Impact on Alleged Religious Practices
There is No Compelling Interest for Plaintiffs' Proposed Injunction that Outweighs Interest in Maintaining Alleged Religious Practices
3. Plaintiffs' Third Amended Complaint Demonstrates Their Injunction is Not the Alternative Least Restrictive to Religious Free Exercise
V. CONCLUSION

TABLE OF AUTHORITIES

<u>PAGE</u>
<u>Cases</u>
Ashwander v. Tennessee Valley Authority (1935) 297 U.S. 288, 56 S.Ct. 466
Brown v. Polk County (8 th Cir. 1995) 61 F.3d 650, cert. denied, 516 U.S. 11586
Catholic Charities of Sacramento, Inc. v. Superior Court (2004) 32 Cal.4th 527
Church of the Lukumi Babalu v. City of Hialeah (1993) 508 U.S. 5209
Commodore Home Systems, Inc. v. Superior Court (1982) 32 Cal.3d 211
Easley v. Anheuser-Busch, Inc. (8th Cir. 1985) 758 F.2d 251
Equal Employment Opportunity Commission v. Townley Engineering & Manufacturing Company, (9 TH Cir. 1988) 859 F. 2d 610;
Employment Div., Ore Dept. Human Res. v. Smith (1990) 494 U.S. 872, 110 S.Ct. 15959
First Covenant Church of Seattle v. City of Seattle (Wash. 1992) 840 P.2d 174;10
Goldman v. Weinberger (1986) 475 U.S. 503, 106 S.Ct. 1310
Guz v. Bechtel Nat., Inc (2000) 24 Cal.4th 3174

(Ohio 2000) 728 N.E.2d 1039
Meltebeke v. Bureau of Labor and Industries (Or. Sup.Ct. 1995) 903 P.2d 351
Mendoza v. Town of Ross (2005) 128 Cal.App.4th 625
Miller v. Department of Corrections (2005) 36 Cal.4th 446
NAACP v. Claiborne Hardware Company (1982) 458 U.S. 886
New York Times v. Sullivan (1964) 376 U.S. 254, 84 S.Ct. 710
VLRB v. Catholic Bishop of Chicago (1979) 440 U.S. 490, 99 S.Ct. 1313
People v. Woody (1964) 61 Cal.2d 716
Ray v. Henderson (9 th Cir. 2000) 217 F.3d 1234
State v. Hershberger (Minn. 1990) 462 N.W.2d 393
Trans World Airlines, Inc. v. Hardison, 432 U.S. 63, 97 S.Ct. 2264
United States v. Commonwealth of Virginia (4th Cir. 1980) 620 F.2d 1018
United States v. Ballard (1944) 322 U.S. 78
Welsh v. United States (1970) 398 U.S. 333, 90 S.Ct. 1792

Constitutions

First Amendment of the US Constitution4, 7
Cal. Constitution article 1, 9 Section 4 9 Section 24 9
California Statutes
Cal Code of Civil Procedure Section 431.10
Cal Code of Civil Procedure Section 436
Government Code Section 12940(1)
Government Code Section 12970(a)
United States Statutes
42 United States Code, Section 2000e(j)
Agency Guidelines
Equal Employment Opportunity Commission Compliance Manual, Section 12: Religious Discrimination, (July 22, 2008)
Law Review Articles
Kaminer, D.N., "When Religious Expression Creates a Hostile Work Environment: The Challenge of Balancing Competing Fundamental Rights," 4 NYU J. Legis. & Pub. Pol'y 81 (2000-2001)

MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

Plaintiffs' pleading asserts Craig Jensen, a Scientologist, founded Diskeeper Corporation over 25 years ago. Plaintiffs allege Mr. Jensen publicly ascribes his personal success and the company's now-international reach to the work and writings of L. Ron Hubbard, his religion's founder. Mr. Godelman and Mr. LeShay, having worked for Diskeeper Corporation briefly in 2006, now seek to have the Court dismantle Mr. Jensen's and defendant's entire way of doing business as these methods, the Hubbard Management Technology and the Hubbard Study Technology, are supposedly religious. Thus plaintiffs assert a single employee can come into such a business, declare he does not like the model because he finds it religious, and require that business to change its entire basis of functioning as a condition of his employment. Nothing in the law requires such an absurd and unfair result. Without leave to amend, the Court should thus strike all injunctive relief allegations as irrelevant, false and improper.¹

II. PLAINTIFFS SEEK TOTAL SHUTDOWN OF THIS EMPLOYER'S TRAINING AND ADMINISTRATIVE MODEL ON RELIGIOUS GROUNDS

In pertinent part, plaintiffs' third amended complaint (TAC) alleges:

- "DISKEEPER is a corporation whose products are marketed and distributed in six continents ... [Diskeeper Corporation promotes it] has 'for over 25 years ... been the leader in the creation ... of products which greatly increased computer performance ... and reliability ... around the world. So important is Diskeeper [software] to the world of computing that it was named among the top 5 products that everyone should have on their computer systems or networks." TAC, ¶ 5, 3:19-25.
- "DISKEEPER is owned and operated by CRAIG JENSEN, the ... current Chairman

A court may strike out any irrelevant, false or improper matter inserted in any pleading and strike the whole or any part of a pleading not drawn in conformity with applicable law. Cal. Code of Civil Procedure § 436. Immaterial allegations include a demand for judgment requesting relief not supported by plaintiffs' pleadings. Cal. Code of Civil Procedure § 431.10.

of DISKEEPER ... a self-proclaimed 'entrepreneur and humanitarian' who ... attributes his personal success to the now-deceased founder of the Scientology religion, L. Ron Hubbard ... 'When I started the business ... I had not counted on the awesome power of the Hubbard Management System, which has made Diskeeper Corporation one of the most successful software companies in the world.'" TAC, ¶ 5, 3:27-4:9.

- "... the so-called 'Hubbard Management System' is nothing more than a thinly-veiled cover for the Scientoloy religion and its teachings." TAC, ¶ 5, 4:10-11.
- "... [the] innocuous descriptions of the mandatory training courses were a pretext and a cover up for a more malevolent and unlawful purpose to indoctrinate the workforce of DISKEEPER to the teachings and methods of Scientology, a body of teachings and related techniques developed by American science fiction author L. Ron Hubbard and founded in 1952 as a self-help philosophy and later viewed and described as a new religion." TAC, ¶ 8, 6:13-17.
- "Rather than teach its employees about DISKEEPER and/or its business, the mandatory 'training courses' imposed on its employees (including PLAINTIFFS) were the teachings of the Scientology religion." TAC, ¶ 8, 6:21-23.
- "Employees are left with two choices either learn and apply Scientology principles in the performance of their duties, or be criticized, reprimanded or discharged for failing to use the methods of thought and language which conform to Scientology. Put another way, the employees are given the choice of assimilating into the culture of Scientology or perishing and losing their jobs." TAC, ¶ 9, 7:17-21.
- "In the alternative, PLAINTIFFS seek full back pay and lost employment benefits through the date of the trial, and reinstatement to their former positions accompanied by a mandatory and/or prohibitory injunction prohibiting DISKEEPER from forcing or requiring any employee, as a condition of employment, to study, adopt and/or apply the so-called 'Hubbard Management Technology' and/or related 'Hubbard Study Technology' (both of which PLAINTIFFS intend to prove at trial are 'cover' names

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for the fundamental teachings of the Scientology religion) in the workplace. TAC, ¶20, 16:27-17:5 (first cause of action); ¶34, 22:26-23:4 (third cause of action); ¶48, 28:17-23 (fifth cause of action).

• "WHEREFORE, plaintiffs GODELMAN and LESHAY pray for judgment ... f. For prospective injunctive relief in the form of a prohibitory and/or mandatory injunction requiring Defendants to cease, desist and forever refrain from forcing or requiring any employee, as a condition of employment, to study, adopt and/or apply the so-called 'Hubbard Management Technology' and/or related 'Hubbard Study Technology' in the workplace. TAC, p.30:13-17 (first cause of action); p. 31:11-15 (third cause of action); p. 32:8-12 (fifth cause of action).

III. TITLE VII PRECEDENT AND RULES OF CONSTITUTIONAL CONSTRUCTION BAR PLAINTIFFS'

PROPOSED INJUNCTIVE RELIEF AS A MATTER OF LAW

As a general matter, the federal and California employment discrimination statutes prohibit secular businesses from discriminating in the terms and conditions of employment on the basis of, *inter alia*, religious belief, practice, or observance. *E.g.*, 42 U.S.C. § 2000e(j); Government Code § 12940(l). The statutes, however, do not prohibit the owner of a secular business from introducing religion into the workplace, both as a matter of religious belief and in the belief that the use of such religious principles furthers the commercial objectives of that business.

While such an employer may establish and maintain a religiously based business model and require its employees to participate in that activity, the employer ordinarily must also take into account religious objections of its employees to participation in such practices. Thus, when an employee raises a good faith religiously based objection to such practices, the employer must make reasonable efforts to accommodate that objection, to the extent possible and practicable. "The intent and effect of this definition [of religion] was to make it an unlawful employment practice under section 703(a)(1) for an employer not to make

reasonable accommodations, *short of undue hardship*, for the religious practices of his employees and prospective employees." *Trans World Airlines, Inc. v. Hardison*, 432 U.S. 63, 74, 97 S.Ct. 2264, 2272 (1977)(emphasis added).

As the federal statute's language ("without undue hardship on the conduct of the employer's business") and the Supreme Court's statement in *Hardison* make clear, Congress recognized that it may not always be possible for an employer to accommodate an employee's objections without abandoning the employer's choice to use a religious based business model. In such an instance, Congress did not intend and the courts will not require the employer to do so. *See also*, Government Code § 12940(*l*) (obligation under Fair Employment and Housing Act to reasonably accommodate religious belief or observance does not require employer to incur undue hardship on the conduct of its business).

Thus, an employer may establish and maintain a religiously based business model and require its employees to participate in that activity so long as that employer reasonably accommodates any worker's plausible request for exclusion from such a system. *EEOC v. Townley* (9th Cir. 1988) 859 F.2d 610, 621 (lower court's injunction enjoining all mandatory religious services in the workplace was too broad: Title VII's religious accommodation "is served by protecting only those who have religious objections to the services....Nor do we think that to require that the services be voluntary as to all employees, whether it is their wish or not, is necessary to further the purposes of Title VII."). *See, also,* EEOC Compliance Manual, Section 12: *Religious Discrimination*, (July 22, 2008), \$12-IV(C)(7) at p. 83 ("There may be cases, however, where an employer can show that it would pose an undue hardship

There is apparently no parallel judicial guidance under FEHA on a conflict over an employer's alleged religious practices introduced in the workplace. In the absence of applicable California case law on this issue, state courts may look to federal Title VII law. *Mendoza v. Town of Ross* (2005) 128 Cal.App.4th 625, 635 ("Because the antidiscrimination objectives and relevant wording of title VII...are similar to those of the FEHA, California courts often look to federal decisions in interpreting these statutes for assistance in interpreting the FEHA.") (citations omitted); *Guz v. Bechtel Nat., Inc.* (2000) 24 Cal.4th 317, 354 ("Because of the similarity between state and federal employment discrimination laws, California courts look to pertinent federal precedent when applying our own statutes.").

 to provide an alternative training or to excuse an employee from any part of a particular training, even if the employee asserts it is contrary to his religious beliefs to attend (e.g., where the training provides information on how to perform the job... or on other workplace policies, procedures, or applicable legal requirements.") (emphasis supplied).³

The point is illustrated by the *Townley* case. There, the Ninth Circuit held that it was possible for the employer to accommodate the individual employee's religious objection to participation in mandatory religious services, but only because such an accommodation did not create an undue hardship to "the conduct of the employer's business." 859 F.2d at 615. The court found that the employer did not demonstrate that the weekly prayer services were directly related to the commercial goals of the business as opposed to the spiritual betterment of its employees. The court emphasized that "Townley, the corporate entity, must connect the asserted spiritual hardship to an adverse impact on the conduct of the business. . . . The statute, in brief, posits a gain-seeking employer exclusively concerned with preserving and promoting its economic efficiency." *Id.* at 615-616.

In the instant case, in contrast to *Townley*, the purported religious practice is not a mere weekly prayer service conducted because the business owner hoped to encourage the spiritual betterment of his employees, but the entire management system upon which the company is founded and operates. TAC, ¶5,4:10-11; ¶8,6:13-17,21-23; ¶9,7:17-21. Thus, the Hubbard Management System is precisely "concerned with preserving and promoting [the company's] economic efficiency." *Townley*, 859 F.2d at 616. To enjoin the defendant from using that management system, as plaintiffs seek to do, would be to prohibit it from doing business at all in the manner in which Mr. Jensen has chosen to operate it, based on

Courts may properly turn to EEOC Guidelines when necessary. Ray v. Henderson (9th Cir. 2000) 217 F.3d 1234, 1243 ("Although EEOC Guidelines are not binding on the courts, they 'constitute a body of experience and informed judgment to which courts and litigants may properly resort for guidance."") (citations omitted); Miller v. Department of Corrections (2005) 36 Cal.4th 446, 465 ("The one pertinent California decision generally indicates that the standards and reasoning embodied in the EEOC policy statement provide appropriate guidelines in interpreting and applying the relevant provisions of the FEHA."). By an accompanying filing, defendant requests judicial notice of the pertinent federal agency guidelines.

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his conviction that the Hubbard management system will maximize the business' commercial opportunities and profits and the 25-plus year proven success of that system. TAC, ¶ 5, 3:19-25, 3:27-4:9. The "undue hardship" imposed on the business would be patent and pervasive.

To the extent that the Hubbard Management System is inherently religious in nature, Mr. Jensen's choice to use it to conduct his business is protected by the First Amendment and the California Constitution.⁴

Employers and supervisors possess fundamental rights under the free exercise clause. Brown v. Polk County (8th Cir. 1995) 61 F.3d 650, 658-59, cert. denied, 516 U.S. 1158 (1996) (directing a county supervisor to cease any activities that could be considered to be religious proselytizing, witnessing or counseling gave too much dominance to the establishment clause that would unlawfully allow it to trump the free exercise clause; likewise the court deemed it unconstitutionally intrusive to require him to remove religious items from his office); Meltebeke v. Bureau of Labor and Industries (Or. Sup.Ct. 1995) 903 P.2d 351 (employer has a federal and state constitutional right to religious conscience and practice in the workplace); Townley at 621 ("Where the religious practices of employers...and employees conflict, Title VII does not, and could not, require individual employers to abandon their religion. Rather, Title VII attempts to reach a mutual accommodation of the

Defendant does not concede the Hubbard Administrative Technology it uses is inherently religious at all. As we detailed in the October 6, 2008 motions for summary judgment, the model was adapted from the management system used by the Church of Scientology so that it could be used in any secular business or organization. The fact that it originated in the administration of a church does not make it a religious system in all other contexts. Similarly, defendant does not concede that no reasonable accommodation could be made for an employee who raises good faith religious objections to some aspect of the system. Again, as detailed in the October 6 summary judgment motion against him; defendant in fact offered accommodations to Mr. LeShay – the only one of the two plaintiffs that asked for such - which he rejected, insisting instead that he be exempted from the entire basis upon which the company is administered. This motion is addressed to plaintiffs' insistence that the entire management system is inherently and pervasively religious in nature, that no accommodation could ever protect employees from such religious practices, and therefore that the court enjoin and flatly prohibit the defendant company from using its management system and structure, bringing the entire business of Diskeeper Corporation to a grinding halt. The Court should strike the subject injunction allegations else a predatory plaintiff could theoretically seek out a company organized on some religious principles, work for but a few days as Mr. LeShay admittedly did here, and then file an action claiming grievous injury and demanding the company's destruction as that former employee's "ultimate solution."

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conflicting religious practices. This is consistent with the First Amendment's goal of ensuring religious freedom in a society with many different religions and religious groups.").⁵

The above First Amendment employer prerogative would apply even if an employer requires its employees to engage in actual religious services. EEOC Compliance Manual, Section 12: Religious Discrimination, (July 22, 2008), ¶12-IV(C)(7) at p. 81 ("Some employers have integrated their own religious beliefs or practices into the workplace, and they are entitled to do so," citing Townley at 619-21 ["private employer has First Amendment free exercise right to express its religion in the workplace"]). Thus, Townley and its progeny trump plaintiffs' ability to pursue injunctive relief.

Not only is the Court to construe FEHA's application in a manner consistent with the First Amendment and the California Constitution (see part IV, below), but, if possible, also in a manner that avoids any potential constitutional conflict. NLRB v. Catholic Bishop of Chicago (1979) 440 U.S. 490, 502-503, 99 S.Ct. 1313 (Court construed NLRA as not including secular teachers at Catholic schools, despite the absence of any exception in the statute, to avoid the potential constitutional confrontation if the Act were to cover such teachers); Ashwander v. Tennessee Valley Authority (1935) 297 U.S. 288, 346-348, 56 S.Ct. 466 (Brandeis, J., concurring) (Court has developed for its own governance rules including first ascertaining whether a statutory construction is possible that avoids the constitutional question altogether).6

Striking plaintiffs' reinstatement and injunction allegations without leave to amend is consistent with this rule of avoiding a constitutional confrontation where possible. Mr.

See also, Kaminer, D.N., "When Religious Expression Creates a Hostile Work Environment: The Challenge of Balancing Competing Fundamental Rights," 4 NYU J. Legis. & Pub. Pol'y 81 (2000-2001) ("An employer's religious speech and expression is entitled to the same unique constitutional protection as that of an employee").

Accord: Welsh v. United States (1970) 398 U.S. 333, 342-343, 90 S.Ct. 1792 (Court construed the conscientious objector exemption from the Selective Service Act as including those with certain deeply held philosophical beliefs to avoid constitutional question of whether exclusion of such beliefs would violate Free Exercise Clause).

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Godelman and Mr. LeShay allege Diskeeper Corporation's entire management system is "the Scientology religion and its teachings." TAC, ¶ 5, 4:10-11. To permit the prospect of enjoining a company from utilizing religion as its administrative model will lead this Court into a potential constitutional thicket difficult, if not impossible, to negotiate. Such injunction would not be a common "cease and desist" order addressing a particular unlawful employment practice. Cf., United States v. Commonwealth of Virginia (4th Cir. 1980) 620 F.2d 1018, 1024 (enjoining state trooper height and weight guidelines that discriminated against women); Easley v. Anheuser-Busch, Inc. (8th Cir. 1985) 758 F.2d 251, 255-56 (enjoining preemployment test with racially discriminatory impact). Rather, plaintiffs' requested injunction would require the Court to make factual determinations as to what workplace practices are religious or "religiously based" and to monitor the entirety of company operations to ensure such practices are, and remain, eliminated from application. See, People v. Woody (1964) 61 Cal.2d 716, 726 (inquiry into the nature of a defendant's religious beliefs is an inquiry both difficult and repugnant to the spirit of our law, citing United States v. Ballard (1944) 322 U.S. 78); NLRB v. Catholic Bishop of Chicago, 440 U.S. at 502 (NLRB jurisdiction over secular teachers employed by Catholic schools would require Board to consider questions of religious belief and good faith; "[i]t is not only the conclusions that may be reached by the Board that may impinge on rights guaranteed by the Religion clauses, but also the very process of inquiry . . . "). See also, Catholic Charities of Sacramento, Inc. v. Superior Court (2004) 32 Cal.4th 527, 563 (a determination of what is a 'religious' belief may present a most delicate question).

As *Townley* and the complementary EEOC guidelines clearly recognize an employer's prerogative for the introduction of even mandatory religion in the workplace and as undertaking any process to determine and "weed out" company religious practices would create a constitutional conundrum likely immune from resolution, this Court should strike without leave to amend each of plaintiffs' reinstatement and injunction allegations and the applicable portions of their accompanying prayer as lawfully and constitutionally untenable.

Plaintiffs ask this Court to apply the injunction remedy of the Fair Employment and Housing Act (Gov't Code § 12970(a)) to directly regulate or prohibit an alleged religious practice and belief.⁷ "If the law at issue ... regulates or prohibits conduct because it is undertaken for religious reasons," then strict scrutiny applies. *Church of the Lukumi Babalu v. City of Hialeah* (1993) 508 U.S. 520, 532. "If the object of the law is to infringe upon or restrict practices because of their religious motivation, the law is not neutral and it is invalid unless it is justified by a compelling state interest and is narrowly tailored to advance that interest. *Id.*, 508 U.S. at 532.8

Cal. Const. article I, section 4 provides in relevant part: "The free exercise and enjoyment of religious profession and worship, without discrimination or preference, shall forever be guaranteed in this State ... but the liberty of conscience hereby secured shall not be construed as to excuse acts of licentiousness, or justify practices inconsistent with the peace and safety of this State." This provision is at least as protective of religious free exercise as the First Amendment, if not more so. *Catholic Charities of Sacramento, Inc. v. Superior Court* (2004) 32 Cal.4th 527, 547 - 548, citing *Employment Div., Ore Dept. Human Res. v. Smith* (1990) 494 U.S. 872, 877, 879, 110 S.Ct. 1595 (referred to in some scholarship as "Smith II") (government may not regulate religious beliefs by punishing their affirmation, nor may it target conduct for regulation only because it is undertaken for religious reasons).

Madam Justice Brown's comments in Catholic Charities of Sacramento are apropos.

Commodore Home Systems, Inc. v. Superior Court (1982) 32 Cal.3d 211, 213 (private litigants may seek all remedies accorded the government under FEHA), cited in plaintiffs' October 14, 2008 motion for leave to amend complaint at p.2).

See also, New York Times v. Sullivan (1964) 376 U.S. 254, 265, 277, 84 S.Ct. 710 (courts are bound to uphold constitutional standards in civil suits between private parties); NAACP v. Claiborne Hardware Company (1982) 458 U.S. 886, 924, note 67, 102 S.Ct. 3409 (civil suit injunction cannot limit constitutionally protected activity).

Article I, section 4 is not dependent on the meaning of any provision of the federal Constitution and thus confers rights "not dependent on those guaranteed by the United States Constitution." Catholic Charities of Sacramento, Inc. v. Superior Court (2004) 32 Cal.4th 527, 560-561, quoting Cal.Const. article I, section 24.

. (10) "Here we are dealing with an intentional, purposeful intrusion into [alleged] expression of ... religious tenets and sense of mission. The government is not accidentally or incidentally interfering with [alleged] religious practice; it is doing so willfully by making a judgment about what is and what is not religious. This is precisely the sort of behavior that has been condemned in every other context." *Catholic Charities of Sacramento, above, 32 Cal.4th at 578 (Brown, J., dissenting).*¹⁰

To justify using this Court's power to bar the company from utilizing a set of religious practices and beliefs as its business model, "no showing merely of a rational relationship to some colorable state interest [will] suffice; in this highly sensitive constitutional area, 'only the gravest abuses, endangering paramount interests, give occasion for permissible limitation." *People v. Woody*, above, 61 Cal.2d at 719. Moreover, even if plaintiffs could demonstrate such a compelling, overriding interest for imposing an injunction on such purported religious practices, they would have to show no available, less restrictive alternative to that regulation in order to justify their proposed shutdown as a matter of law. *Catholic Charities of Sacramento, above,* 32 Cal.4th at 562. Mr. Godelman's and Mr. LeShay's direct targeting of an alleged religious practice does not survive such strict scrutiny review as a matter of law.

1. Plaintiffs' Injunction Remedy Poses a Significant Impact on Alleged Religious Practices: As plaintiffs position the Hubbard Administrative Technology and its "related

The U.S. Supreme Court's decision in Smith II only applies to strictly neutral laws of general application and is probably not the law under the California Constitution in any event. With provisions markedly different from the First Amendment's Religion Clause and which parallel the language in Cal. Const. article I, section 4, at least three other states have declared their constitutions require strict scrutiny review of religious free exercise claims for exemption from neutral, generally applicable laws. State v. Hershberger (Minn. 1990) 462 N.W.2d 393, 397 (Minnesota Constitution article 1, section 16 requires state to demonstrate interests of the highest order and that cannot otherwise be served to overbalance legitimate free religious exercise claims); First Covenant Church of Seattle v. City of Seattle (Wash. 1992) 840 P.2d 174, 187 (Washington Constitution article 1, section 11 requires state to demonstrate its compelling interest for action that is the least restrictive alternative in the face of a free religious exercise claim of exemption from a neutral, generally applicable law); and Humphrey v. Lane (Ohio 2000) 728 N.E.2d 1039, 1045 (under Ohio Constitution section 7, article I, court adheres to the "compelling state interest" and "least restrictive alternative" standard on free exercise of religion claims).

Hubbard Study Technology" as the alleged "cover' names for the fundamental teachings of the Scientology religion" in this workplace, 11 their sought-after full shutdown of the company's use of these technologies proposes a significant burden on alleged religious practices. Catholic Charities of Sacramento, above, 32 Cal.4th at 562.

2. There is No Compelling Interest for Plaintiffs' Proposed Injunction that Outweighs Interest in Maintaining Alleged Religious Practices: Second, while plaintiffs can cite an important state interest generally in maintaining FEHA's non-discriminatory standards in the workplace, Townley illustrates that interest is not sufficiently compelling to justify plaintiffs' proposed total workforce injunction over the conduct of even mandatory religious practices to which only they allegedly object.¹² Moreover, as shown by the Minnesota Supreme Court's treatment of nearly identical language in its constitution in Hershberger (note 10, above), the closing passage of Cal. Const. article I, section 4 limits the specific interests the government can propose as overriding alleged religious practices to the regulation of licentious conduct and of actions threatening the public peace and safety. Nowhere in their third amended complaint do plaintiffs allege – nor could they in good faith allege – that defendant's utilization of the supposedly "religious" Hubbard Administrative Technology and Hubbard Study Technology are either licentious or pose a danger to /// ///

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TAC, ¶ 20, 16:27-17:5 (first cause of action); ¶ 34, 22:26-23:4 (third cause of action); \P 48, 28:17-23 (fifth cause of action).

Again, Justice Brown's observations in Catholic Charities of Sacramento are appropriate. "At the very least, the constitutional weight of the state's interest must be affected by the size and severity of the problem the state is trying to solve. To authorize the state to use a howitzer to smite a gnat should be no part of our constitutional jurisprudence. Where strict scrutiny applies, the state 'may abridge religious practices only upon a demonstration that some compelling state interest outweighs the defendants' interests in religious freedom."32 Cal.4th at 586 (Brown, J., dissenting).

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3. Plaintiffs' Third Amended Complaint Demonstrates Their Injunction is Not the Alternative Least Restrictive to Religious Free Exercise: Last, even if Mr. Godelman and Mr. LeShay could demonstrate an amply compelling interest to regulate these alleged religious practices, their third amended complaint on its face establishes that interest can otherwise be served. Plaintiffs allege reinstatement and injunction as an alternative remedy to their collection of supposed lost future earnings. Surely, even presuming liability under any of plaintiffs' several theories of recovery, collection of money damages is the alternative least restrictive of the religious foundation and nature Mr. Godelman and Mr. LeShay attempt to ascribe to defendant's comprehensive business model.

V. CONCLUSION

Mr. Godelman and Mr. LeShay could never be lawfully entitled to an injunction shutting down on religious grounds a company's entire business model as pled in their third amended complaint. By this suit – and their injunction allegations in particular – plaintiffs seek at a tremendous waste of this Court's resources to impose groundless restraints on a former employer by appeals to hoped-for bigotry and intolerance rather than to any rational application of the law. This case must and will fall by its own ill-conceived weight. This

/// The Hershberger Court found Minnesota constitution's section 16 expressly limited the governmental interests that may outweigh religious liberty by language wordfor-word identical to Cal. Const. article I, section 4: " ... but the liberty of conscience hereby secured shall not be construed as to excuse acts of licentiousness, or justify practices inconsistent with the peace and safety of this State." Observing the U.S. Supreme Court has permitted more varied interests to justify the imposition of government power over a federal Free Exercise Clause claim (e.g., Goldman v. Weinberger (1986) 475 U.S. 503, 508, 106 S.Ct. 1310 [military's interest in uniformity] and discipline outweighs individual's interest in wearing a yarmulke]) while Minnesota's constitution section 16 expressly limits the permissible countervailing interests of the government (i.e., only instances of licentiousness or practices contrary to public peace and safety), the Hershberger Court concluded its citizens are afforded greater protection for religious liberties against government action than the federal constitution. 462 N.W.2d at 397. Thus, in Minnesota, even a neutral law of general applicability is subject to strict scrutiny if such law impinges upon religious practice that is neither licentious or a threat to community peace and safety. 462 N.W.2d at 400 (Simonett, J., concurring).

Court's grant of this motion to strike without leave to amend is a just and fair initial step in that process. Dated: December 5, 2008 Respectfully submitted, Timothy Bowles Cynthia Bamforth Attorneys for Defendant Diskeeper Corporation

1 2 3 4 5 6	BARRY B. KAUFMAN, ESQ. (SBN 11) LAW OFFICES OF BARRY B. KAUFM A Professional Corporation 16133 Ventura Blvd., Suite 700 Encino, California 91436 (818) 995-9115 Attorneys for Plaintiffs Alexander J. Godelman and Marc Le Sha	1AN	CONFORMED COPY OF ORIGINAL FILED Los Angeles Superior Court NOV 0 5 2008 John A. Clarke, Executive Critices/Clerk BY SHAUNYA WESLEY, Deputy				
8	SUPERIOR COURT OF THE STATE OF CALIFORNIA						
9	FOR THE COUNTY OF LOS ANGELES, CENTRAL DISTRICT						
10 11	:						
12	ALEXANDER J. GODELMAN, an Individual; and MARC LE SHAY, an	CASE NO. BC 374 449					
13	Individual,) Assigned for all purposes to the Hon. Jane L. Johnson, Department 56					
14	Plaintiffs,)) {PROPOSED} THIRD AMENDED) COMPLAINT FOR DAMAGES FOR:					
15	vs. DISKEEPER CORPORATION, a) (ON.) 1.	DISCRIMINATORY DISCHARGE AND				
16 17	Delaware corporation; and DOES 1-50, inclusive,)))	FAILURE TO ACCOMMODATE (RELIGION) IN VIOLATION OF THE FAIR EMPLOYMENT AND HOUSING				
18	Defendants.))	ACT;				
19)	2.	WRONGFUL TERMINATION IN VIOLATION OF PUBLIC POLICY;				
20		3.	RETALIATION IN VIOLATION OF THE FEHA;				
21 22		4.	RETALIATION IN VIOLATION LABOR CODE § 1102.5; and				
23		5.	FAILURE TO PREVENT				
24		•	DISCRIMINATION				
25		DEM	IAND FOR HIDY TRIAL				
26	DEMAND FOR JURY TRIAL						
27	Plaintiffs Alexander J. Godelman and Marc Le Shay allege and complain as follows:						
28	1//						
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	THIRD AMENDED COMPLAINT FOR DAMAGES						

EXH.A-

1. <u>Plaintiffs</u>:

(a) Plaintiff ALEXANDER J. GODELMAN ("GODELMAN") is a natural person who has been, and at all times relevant hereto was, a resident of the County of Los Angeles and a citizen of the State of California.

(b) Plaintiff MARC LE SHAY ("LE SHAY") is a natural person who has been, and at all times relevant hereto was, a resident of the County of Los Angeles and a citizen of the State of California.

(c) The use of the term "PLAINTIFFS" in this Complaint is intended to refer to both GODELMAN and LE SHAY collectively.

2. <u>Defendants</u>:

(a) PLAINTIFFS are informed and believe, and on that basis allege, that defendant DISKEEPER CORPORATION (hereinafter, "DISKEEPER") is, and at all times mentioned herein was, a Delaware corporation which is qualified and authorized to do business (and is doing business) in the State of California, with its principal place of business located in Los Angeles County at 7590 N Glenoaks Blvd., Burbank, CA 91504. Among other things, DISKEEPER is an employer of five or more employees and is engaged in the business of developing, manufacturing and distributing computer software products for distribution on a world-wide basis. PLAINTIFFS are further informed and believe, and thereon allege, that DISKEEPER is not a non-profit "religious association or corporation" exempt from the State and Federal laws prohibiting religious discrimination in the hiring and employment of its employees (including, without limitation, Section 12926.2(d) of the California Fair Employment & Housing Act, Government Code § 12900 et seq. ("FEHA")).

Doe Defendants

3. The true names and capacities, whether individual, corporate, associate or otherwise, of the Defendants sued herein as DOES 1 through 50 are unknown to PLAINTIFFS,

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who therefore sue said DEFENDANTS by such fictitious names. DOES 1 through 10 were at all relevant times the officers, directors and/or managing agents of DISKEEPER. PLAINTIFFS will seek leave of court to amend this complaint to allege the true names and capacities of DOES 1 through 50 when they have been ascertained, if necessary. The use of the term "DEFENDANTS" in this Complaint is intended to refer to defendant DISKEEPER and to all DOE Defendants in this action.

Agency Relationship

PLAINTIFFS are informed and believe, and thereon allege, that at all times 4. relevant hereto, each of the defendants was the employer or employee, joint venturer, partner, agent, co-conspirator and/or servant of each of the remaining defendants, and in doing each and all of the things hereinafter alleged was acting within the scope and purpose of his, her or its authority as such employer, employee, joint venturer, partner, agent, co-conspirator and/or servant, and with the permission, consent and ratification, whether express or implied, of each of the remaining defendants. On information and belief, each of the defendants sued as DOES 1 through 50 is in some manner legally responsible for the injuries to PLAINTIFFS.

Nature of Diskeeper's Business

DISKEEPER is a global corporation whose products are marketed and 5. distributed in six continents - North America, South America, Europe, Asia, Africa and Australia. According to its own website found at www.diskeeper.com, DISKEEPER has "for over 25 years . . . been the leader in the creation of file system performance products which greatly increased computer performance, productivity, and reliability of computer systems around the world. [¶] So important is Diskeeper to the world of computing that it was named among the Top 5 products that everyone should have on their computer systems or networks." PLAINTIFFS are informed and believe, and thereon allege, that DISKEEPER is owned and operated by CRAIG JENSEN, the former Chief Executive Officer and current Chairman of DISKEEPER (hereafter, "JENSEN"), a self-proclaimed "entrepreneur and humanitarian" who,

according to his personal website found at www.craigjensen.com, attributes his personal success to the now-deceased founder of the Scientology religion, L. Ron Hubbard (for whom JENSEN provides a link to Mr. Hubbard's own website, lronhubbard.org):

"I created Diskeeeper Corporation to use my computer abilities to help others and make a good living for my family. When I started the business, however, I had not counted on the awesome power of the Hubbard Management System, which has made Diskeeper Corporation one of the most successful software companies in the world."

As alleged in greater detail in this Complaint, the so-called "Hubbard Management System" is nothing more than a thinly-veiled cover for the Scientology religion and its teachings.

Hiring of Godelman

6. GODELMAN has been employed as a senior level technology executive for over 25 years with a background in design, planning, implementation and service delivery of technology systems and services as well as team-building and coaching. GODELMAN has worked for start-ups and for Fortune 100 companies (including Time Warner, Disney, ABC, Electronic Arts, CCH, Bank of America and Wells Fargo, among others) managing large teams of IT professionals in a variety of complex technology environments. After an intensive solicitation and recruiting effort, DISKEEPER extended an offer of employment to GODELMAN in May of 2006 (and he commenced providing services on May 22, 2006). GODELMAN's position at DISKEEPER was that of "Chief Information Officer" with an annual salary of \$170,000 and a target bonus of \$35,000, plus health and other employer-provided insurances, paid vacation, and the like. In this position, GODELMAN was in charge of all aspects of the company's "information technology" operations and reported to JENSEN, at that time the Chief Executive Officer and Chairman of the Board, and Lisa Terrenzi, Deputy CEO, Board Member and Chairperson of the so-called "Executive Council" which managed the

business operations of DISKEEPER. GODELMAN took over the role formerly held by Andy Staffer, Director of Research and Development, who after training GODELMAN in the essential functions of the job, told him that he was confident that GODELMAN possessed the requisite technical and business skills to successfully perform the CIO position "with [his] eyes closed." This observation was prescient as GODELMAN did, in fact, successfully perform all of his assigned duties and responsibilities throughout his tenure with DISKEEPER, at least until October 19, 2006 when he was prevented from doing so by being terminated for his refusal to subscribe to the Scientology religion and the religious beliefs and teachings thrust upon him by DISKEEPER and in retaliation for standing up for the rights of plaintiff LE SHAY (whose request to be accommodated by being excused from the company requirement that he study, learn and apply the fundamental principles of the Scientology religion was rejected by DISKEEPER management).

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Hiring of Le Shay

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After having personally observed his excellent work as an employee at 7. other companies, GODELMAN recommended to his superiors at DISKEEPER that plaintiff LE SHAY be hired in or about September of 2006 to provide assistance and support for several ongoing projects undertaken by GODELMAN. LE SHAY commenced providing services as an employee at DISKEEPER on October 2, 2006, in the position of Automation Planning Officer (reporting to plaintiff GODELMAN). LE SHAY was employed with an annual salary of \$130,000 and an annual bonus of unlimited potential depending on his performance. Like GODELMAN, LE SHAY was entitled by virtue of his employment to receive health and other employer-provided insurances, paid vacation, and the like. In this position, LE SHAY provided support for the Information Technology operations of DISKEEPER's business and was responsible for both oversight of architectural design of the company's IT systems, and for developing and executing the IT project management and delivery processes in a repeatable and consistent manner. Like GODELMAN, LE SHAY successfully performed all of his assigned duties and responsibilities throughout his short tenure with DISKEEPER, at least until

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his refusal to take company-required training courses based on the Scientology religion.

October 11, 2006, when he was asked to submit his "resignation" in lieu of being terminated for

Scientology Training a Condition of Employment

8. During the recruitment process, both GODELMAN and LE SHAY were informed by representatives of DISKEEPER that they were expected and required to attend a basic training course referred to internally at DISKEEPER as "Company Basics Zero" (which was described as a "staff orientation" training about the company and its methods of conducting business). GODELMAN and LE SHAY were also told that, following their successful completion of the "staff orientation" training, they would be required to attend a more advanced training program referred to internally at DISKEEPER as "Company Basics I and II" (which were described as merely "additional training" courses dealing with the methods of the business of the company). However, these innocuous descriptions of the mandatory training courses were a pretext and a cover up for a more malevolent and unlawful purpose -- to indoctrinate the workforce of DISKEEPER to the teachings and methods of Scientology, a body of teachings and related techniques developed by American science fiction author L. Ron Hubbard and founded in 1952 as a self-help philosophy and later viewed and described as a new religion. The religion of Scientology is based in Churches located in America, Canada, the United Kingdom, Australia, Africa and other countries throughout the world through a network of affiliated organizations that claim ownership and sole authority to disseminate the teachings and methods developed by L. Ron Hubbard. Rather than teach its employees about DISKEEPER and/or its business, the mandatory "training courses" imposed on its employees (including PLAINTIFFS) were teachings of the Scientology religion.

Work Environment Permeated With Scientology

9. The working conditions and work environment at DISKEEPER were inextricably intertwined with the Scientology religion such that a non-Scientologist cannot escape constant impositions of said religion. From the abundance of religious artwork, to the

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repeated use of quotations from Scientology's founder, L. Ron Hubbard, directly taken from his religious writings, to the general and day-to-day use of vernacular taken from Scientology teachings (like, for example, "Dev-T" which refers to "Developed Unnecessary Traffic," a term used in Scientology), to the massive libraries of Scientology books offered for sale or as a loaner, and to the frequent reference to "organization charts" for the Church of Scientology, employees at DISKEEPER are constantly bombarded with Scientology imagery and ideology in the work environment (whether they want it or not). These employment practices are a subtle form of indoctrination and proselytization. At the commencement of employment all employees are given a handbook entitled "The Way to Happiness" which was created by L. Ron Hubbard and which includes amongst its instruction the admonition "Sex is a big step on the way to happiness and joy. There is nothing wrong with it if it is followed with faithfulness and decency." The same DISKEEPER-distributed handbook contains the disclaimer "Any reprinting or individual distribution of it does not infer connection with or sponsorship of any religious organization." While this employer-promulgated handbook is certainly odd, it is not until one begins to work at DISKEEPER that the full volume and adverse impact of the Scientology propaganda can be understood -- and by then it is too late as the subscription to such beliefs quickly becomes a condition of continued employment. Employees are left to face two choices -- either convert to and learn and apply Scientology principles in the performance of their duties, or be criticized, reprimanded or discharged for failing to use the methods of thought and language which conform to Scientology. Put another way, the employees are given the choice of assimilating into the culture of Scientology -- or perishing and losing their jobs.

Employer Failure to Accommodate Godelman's

Request Not to Attend Scientology Training Courses

10. Because GODELMAN was the first person amongst PLAINTIFFS to be hired by DISKEEPER, he was also the first person to experience the unlawful act of literally being forced to learn about and study the Scientology religion (albeit, under the guise of it being somehow related to the performance of his work as Chief Information Officer). From the outset

of these religion indoctrination sessions (which were taught nightly from 5:00 p.m. to 8:00 p.m., Monday through Friday without payment of any overtime wages to any of the employees forced to attend, whether exempt or non-exempt), GODELMAN repeatedly protested having to attend these so-called "training seminars" and resisted DISKEEPER's efforts to convert him from his religion (Jewish) to Scientology. On June 8, 2006, in a meeting with Andy Staffer, the then-interim Chief Information Officer who was transferring his duties and responsibilities to GODELMAN, Mr. Staffer stated that, while he had no questions about GODELMAN's skills or competencies to do his job, he was concerned about his resistance to adopting the Scientology religion, stating (as best GODELMAN can recall):

"The success of our company as well as the success of many of us is attributed to our religion and our dedication to its concepts and teachings. I don't see you putting any value on this as of yet, nor do I see you expressing any interest learning our religion. Unless you learn it well, you can't really have an opinion about it and can't really decide for yourself whether or not it would ever work for you." Andy stated that he cannot see how Alex can make an intelligent decision about religion or anything else for that matter without learning what it is and what affect it has on people."

In response, GODELMAN stated that he did not join DISKEEPER to discover a new religion and wanted only to focus on his job as the new Chief Information Officer. Mr. Staffer would not relent, however, stating that the Scientology courses being taught at DISKEEPER were all needed to be "successful and productive." In this meeting, Mr. Staffer gave GODELMAN a book espousing Scientology methods and teachings, reminding GODELMAN that he [Staffer] was a member of the Board of Directors of DISKEEPER and stating: "This book will help you to understand what we are and what we stand for. Please read it as soon as possible and specifically focus on the chapters discussing the aims of Scientology. I need you to get it cold and see what we stand for and why you would want to be one of us" (or words to that effect). Mr. Staffer then concluded the meeting with GODELMAN with an ominous warning: "You can't be against something without knowing what it is. I need you to read [the book]. Please don't make me ask you again. I just want you to be successful and this is what you need to learn to be a success." That same day, GODELMAN approached his supervisor, JENSEN, CEO and

Chairman of the Board, to discuss his uncomfortable conversation with Mr. Staffer. GODELMAN sought guidance about what to do, expressly stating to JENSEN that he was not interested in attending "training courses" that were not job-oriented, but rather were focused on the teachings and methods of the Scientology religion. Rather than intervene or otherwise assure GODELMAN that adherence to (and adoption of) the Scientology religion was not a condition of his employment, JENSEN stated that most of his successes (personal and business) were attributable to Scientology and its teaching. JENSEN told GODELMAN that his attendance at and participation in the company-provided "training courses" was not negotiable and that once GODELMAN learned more about Scientology, he would begin understanding and appreciating its benefit (adding that it was "for your own good" and that, at the end of the weeks of training, GODELMAN would become more intelligent as an executive and as an individual (and that his professional and personal life would "improve drastically"). Chairman JENSEN concluded the meeting with GODELMAN by telling him that the "training courses" were something he "felt strongly about" and warning him not to complain about the process in any e-mails (which he said could be "misconstrued" and/or "taken out of context"). JENSEN stated to GODELMAN that he "strongly recommend[ed]" that he "go with the program" and asked him to reserve his judgments for a later time. Approximately a week later, on or about June 14, 2006, Lisa Terrenzi, Deputy CEO and Chairman of the so-called Executive Council, asked GODELMAN if he had any questions about his meeting with Chairman JENSEN and stated that she trusted that he would "do the right thing" (implying that she expected him to attend the company-provided Scientology sermons referred to internally as "training courses"). Numerous other examples of the coercion of DISKEEPER to induce GODELMAN to attend and participate in Scientology courses and training exist. GODELMAN, however, continued to refuse to participate in company-sponsored events that were Scientology-based, including a supposed seminar at the Church of Scientology campus on Hollywood Blvd. in Los Angeles. This refusal resulted in a series of criticisms of GODELMAN that had nothing to do with his work performance and everything to do with his religious beliefs. No effort was made to

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accommodate GODELMAN's preference to choose when to practice and study his own religious beliefs (Judaism) by any of DISKEEPER's employees except GODELMAN.

Employer Failure to Accommodate Le Shay's

Request Not to Attend Scientology Training Courses

11. As noted in Paragraph 7, above, LE SHAY had a much shorter employment tenure at DISKEEPER than GODELMAN. On October 4, 2006, two days after he was hired as the Automation Planning Officer, LE SHAY approached GODELMAN to complain about the first "training course" he had been required to attend the night before. LE SHAY informed GODELMAN that he welcomed any training that DISKEEPER desired to provide to assist him in successfully performing his job, but that he felt that the seminar he attended was <u>not</u> about his job and, instead, was about the Scientology religion. GODELMAN -- having experienced the same concerns with the training he had been required to attend -- then solicited the input and intervention of Breana Wells, Vice President of Human Resources. Both LE SHAY and GODELMAN attempted to explain to Ms. Wells that the material being taught in the training courses was religious in nature and proselytized the Scientology principles of management and study developed by L. Ron Hubbard. Ms. Wells acknowledged that the "Hubbard systems" management philosophy was required training and that DISKEEPER employees were expected to apply those principles in the work place, but was adamant in stating that "the courts have declared these materials to be non-religious" and that several businesses and schools used the same course materials that PLAINTIFFS had objected to. LE SHAY repeated that he was not willing to participate in the company-required training courses if they continued to be based on Scientology principles. Ms. Wells then stated that she did not know what to do and that she would have to get back to him. Later, Ms. Wells agreed to remove some of the classes in the training schedule for LE SHAY, but that he would still be required to attend the so-called "Basic Study Manual" courses. LE SHAY stated that he was uncomfortable with the Scientology-based content that he experienced in the "Technology of Study" course he had began, and declined to take the "Basic Study Manual" course (which he understood was just more of the same content that he had previously objected to). Ms. Wells then left the room, but a few hours later LE

SHAY was approached by Flavia Taylor, Head of the Establishment Office (a DISKEEPER 1 division responsible for assimilating new employees into the company and its culture), who 2 3 asked if there was a "problem" with his training. LE SHAY then related what had transpired to date, to which Ms. Taylor replied "keep in mind that all of our employees are expected to 4 study and use the Hubbard system." No effort was made to accommodate LE SHAY's 5 preference to choose when to practice and study his own religious beliefs (Judaism) by any of 6 7 DISKEEPER's employees except GODELMAN. 8 9 Evidence of Employer Requirement of Religious Conformity Near the end of GODELMAN's employment, he was criticized again for 10 12. failing to conform his beliefs and methods of doing business to Scientology principles. In an 11 e-mail dated September 2, 2006, one of GODELMAN's superiors, Gary Edwards, wrote to 12 JENSEN to note GODELMAN's non-compliance and to suggest additional Scientology training 13 that he should be forced to take, as follows: 14 15 "From: Network Executive Sent: Saturday, September 02, 2006 7:13 PM 16 To: Crams Cc: CIO 17 Subject: FW: RUSH - KR - Alex Godelman CIO cc 18 Crams ← 19 CJ Comm I am being Alex's Esto and got the following KR regarding the AC. I realize that Alex has not 20 previously studied the policies listed below but we need the CIO to know this is how we operate. 21 Suggest: 22 HCO PLAINTIFF Operational, Definition Of OEC Vol 0 page 570 **HCO PLAINTIFF Environmental Control** OEC Vol 0 page 563 23 **HCO PLAINTIFF Operating At Risk** OEC Vol 0 page 552 24 **HCO PLAINTIFF Spectatorism** OEC Vol 0 page 550 25 Please let me know when you pull him in. You can use his Esto time from 11:00 to 12:00 if he doesn't have any other time to do it. 26 ML. 27 Gary Edwards

10/11/00

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Diskeeper Corporation "

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PLAINTIFFS are informed and believe, and thereon allege, that the terms "Cram," "CJ Comm," "Esto," "KR", "AC," "OEC" and "ML" are all Scientology-based terms and that the reference to "CIO" referred to GODELMAN in his then-position of "Chief Information Officer."

Termination of Le Shay and Godelman

13. On October 11, 2006, Flavia Taylor gave an ultimatum to LE SHAY that he either agree to attend and participate in the "Basic Study Manual" courses he had objected to based on his religious beliefs, or leave DISKEEPER. Ms. Taylor's exact words to LE SHAY were "You have a choice to make." LE SHAY went to GODELMAN and told him he had no choice but to resign because no one in upper management (besides GODELMAN) would listen to his complaints or do anything to remedy the situation. GODELMAN then attempted to seek the intervention of Mercedes Del Castillo, Executive Vice President of Operations, but even she reiterated that the "Basic Study Manual" courses that LE SHAY had objected to were "mandatory" and a condition of employment. Faced with DISKEEPER's failure and refusal to remove religious teachings and proselytizing from the workplace, LE SHAY then tendered his resignation (although, from a legal perspective as well as LE SHAY's perspective, the end of his employment with DISKEEPER was forced by its unlawful and discriminatory conduct). GODELMAN was angry that no one in upper management at DISKEEPER was willing to alter or modify the company's religious training to accommodate LE SHAY's requests, and did not conceal his displeasure. Eight days later, on October 19, 2006, without any notice or discussion, GODELMAN's employment was terminated by DISKEEPER without any explanation for the termination action. Notably, to that point in time, GODELMAN had received nothing but praise and commendations for his excellent work performance. The only logical explanation for said termination action was that DISKEEPER was retaliating against GODELMAN for doing his best to establish a work environment free of religious discrimination.

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FIRST CAUSE OF ACTION

FOR DISCRIMINATORY DISCHARGE AND FAILURE

TO ACCOMMODATE (RELIGION) IN

VIOLATION OF THE FAIR EMPLOYMENT AND HOUSING ACT

(Against DISKEEPER and DOES 1-50)

Incorporation by Reference

14. PLAINTIFFS repeat, reallege and incorporate herein by reference each and every allegation set forth in paragraphs 1-13 above, as if set forth herein in full.

Proscription Against Religious Discrimination

the statutes, laws and regulations governing all employers with five or more employees. At all times mentioned herein, the FEHA was in full force and effect and was binding upon DISKEEPER and each of its employees. Said statute requires employers to refrain from taking any actions which discriminate (or have the effect of discriminating) against any employee on the basis of any statutorily protected classification including, without limitation, one's religion, among other things. For example, Section 12940 reads as follows:

"It shall be an *unlawful employment practice*, unless based upon a bona fide occupational qualification, or, except where based upon applicable security regulations established by the United States or the State of California:

(a) For an employer, because of the race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, or sexual orientation of any person, to refuse to hire or employ the person or to refuse to select the person for a training program leading to employment, or to bar or to discharge the person from employment or from a training program leading to employment, or to discriminate against the person in compensation or in terms, conditions, or privileges of employment."

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(1) For an employer . . . to discharge a person from employment . . . , or to discriminate against a person in compensation or in terms, conditions, or privileges of employment because of a conflict between the person's religious belief or observance and any employment requirement, unless the employer or other entity covered by this part demonstrates that it has explored any available reasonable alternative means of accommodating the religious belief or observance, including the possibilities of excusing the person from those duties that conflict with his or her religious belief or observance or permitting those duties to be performed at another time or by another person, but is unable to reasonably accommodate the religious belief or observance without undue hardship on the conduct of the business of the employer Religious belief or observance, as used in this section, includes, but is not limited to, observance of a Sabbath or other religious holy day or days, and reasonable time necessary for travel prior and subsequent to a religious observance." Italics added.

These sections codify the "public policy" of the State of California to prohibit employers from discriminating against its employees on the basis of their religions or beliefs about religion. Although this action is not predicated on Federal law, similar proscriptions against religious discrimination exist under Federal law, as codified in Title VII of the Civil Rights Act of 1964, as amended (which forbids an employer: "to . . . discharge any individual . . . because of such individual's . . . religion . . . "), at 42 U.S.C. § 2000e-2(a)(1).

Prima Facie Case of Religious Discrimination

16. To establish a claim for religious discrimination under the FEHA, PLAINTIFFS must show that (a) they held a bona fide religious belief, (b) the employer was aware of that belief, and (c) their beliefs conflicted with their employment requirement. See Friedman v. Southern Calif. Permanente Med. Group (2002) 102 Cal. App. 4th 39, 45, and Young v. Southwestern Savings and Loan Association (1975) 509 F.2d 140. In this case, PLAINTIFFS' bona fide religious beliefs in Judaism were known to DISKEEPER. However, a conflict arose when DISKEEPER would not let PLAINTIFFS continue to remain employed without their

agreement to attend the company-sponsored religious "training courses" based on Scientology principles and/or their agreement to subscribe to the teachings and practices of the Scientology religion. As the Court aptly observed in *Shapolia v. Los Alamos National Laboratory* (10th Cir. 1993) 992 F.2d 1033, 1038, "it is the religious beliefs of the employer, and the fact that [the employee] does not share them, that constitute the basis of the [religious discrimination] claim."

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Plaintiffs' Religion a "Motivating Factor"

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In the Termination Actions Taken Against Them

17. PLAINTIFFS, and each of them, held their own bona fide beliefs about religion, the practice of which conflicted with the job requirement that they attend, participate in and subscribe to the teachings of the Scientology religion. PLAINTIFFS, and each of them, informed their superiors at DISKEEPER that the job requirement that they attend, participate in and subscribe to the teachings of the Scientology religion conflicted with their own bona fide beliefs about religion, but DISKEEPER failed and refused to accommodate their religious beliefs. PLAINTIFFS are informed and believe, and thereon allege, that their complaints about the DISKEEPER-sponsored and required training in the Scientology religion -- as well as their refusal to subscribe to the Scientology religion imposed upon them by DISKEEPER as a condition of employment -- was a substantial or motivating factor in the termination of their respective employment tenures. The anticipated contention that PLAINTIFFS were terminated for "insubordination" due to their refusal to attend and participate in the "Basic Study" training course would not be the true reason for the terminations, but rather would be pretexual and a coverup for unlawful discrimination in violation of California Government Code § 12940 et seq. Of course, in the case of LE SHAY, no reason was given by Ms. Taylor for the ultimatum she gave him to either attend the religious training or resign and, in the case of GODELMAN, no reason whatsoever was given for his termination. Such discrimination has resulted in damage

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and injury to PLAINTIFFS as alleged herein.

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Other Discriminatory Practices

18. PLAINTIFFS are informed and believe that, in addition to the discriminatory acts described in this cause of action, DISKEEPER has engaged in other discriminatory practices which are not fully known by PLAINTIFFS (including, without limitation, a pattern and practice of failing to accommodate persons who hold religious beliefs other than Scientology). PLAINTIFFS are further informed and believe that there is a statistically significant underrepresentation of non-Scientologist employees in the workforce of DISKEEPER. PLAINTIFFS intend to take discovery regarding these other discriminatory practices which, directly or indirectly, affected the terms, conditions and privileges of their employment at DISKEEPER.

Exhaustion of Statutory Remedies

19. PLAINTIFFS have filed a timely charge of discrimination with the California Department of Fair Employment and Housing against DISKEEPER and have obtained "right to sue" letters dated December 26, 2006 (as to GODELMAN) and December 28, 2006 (as to LE SHAY). Thus, PLAINTIFFS have satisfied and/or exhausted any and all preconditions to bringing this action as required by California Government Code § 12940 et seq.

Damages/Injunctive Relief

At the time of their discharges, PLAINTIFFS were earning substantial 20. wages with bonuses annually, health insurance and other benefits, and could have been eligible, had they been retained, for annual pay raises and enhancements to their other benefits of employment. As a direct result of their discriminatory discharge in violation of the FEHA, PLAINTIFFS have suffered actual, incidental and consequential damages (past and future), which include, but are not limited to, lost wages, lost employment benefits, and lost bonus compensation, which damages are believed to be in excess of \$500,000 annually. The precise amount of damages sustained by PLAINTIFFS has not yet been ascertained and is subject to proof at trial. In the alternative, PLAINTIFFS seek full back now and lost employ

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Emotional Distress Damages

21. As an additional direct result of their discriminatory discharge in violation of FEHA, PLAINTIFFS have suffered significant personal, emotional and economic injuries (including, but not limited to, loss of wages, loss of bonuses, loss of employment benefits and other forms of employment compensation), emotional distress and/or physical health problems resulting from emotional distress caused by and occurring after their termination, loss of self-esteem, embarrassment, humiliation and mental anguish. The precise amount of damages sustained by PLAINTIFFS has not yet been ascertained and is subject to proof at trial.

Attorneys' Fees and Costs

22. Pursuant to Government Code Section 12965, PLAINTIFFS are entitled to recover their reasonable attorneys' fees and costs in addition to all other damages permitted.

Punitive Damages

23. The discriminatory decisions and actions inflicted upon PLAINTIFFS by DISKEEPER were made in complete disregard of PLAINTIFFS' prior job performance and with the malicious intent to deprive them of their employment and with malicious or reckless disregard of the personal and economic injury that would be caused to PLAINTIFFS. In doing the things herein alleged, DISKEEPER was motivated by personal animosity, spite and ill-will toward PLAINTIFFS in a desire to injure, vex, harass and annoy them, and acted with the wrongful motive, intent and purpose of depriving PLAINTIFFS of the rights, benefits, protections and entitlements of their employment at DISKEEPER and of the security of their

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employment, knowing that it had no right to do so and fully intending the harm, both financial and emotional, which it knew would result from the termination of their employment. PLAINTIFFS are informed and believe, and on the basis of such information and belief allege, that the acts and conduct of the individuals who participated in such discrimination were expressly authorized by corporate officers of DISKEEPER (including, but not limited to, Danny Chadwell, DISKEEPER's Director of Corporate Affairs and "agent for service of process" (hereafter, "CHADWELL") *prior to* the occurrence of such unlawful conduct, and were subsequently authorized and ratified by the entire Board of Directors of DISKEEPER (including, but not limited to JENSEN, Chairman of the Board) *after* such unlawful conduct occurred. DEFENDANTS' conduct was malicious and oppressive and, by reason thereof, PLAINTIFFS are entitled to punitive damages in an amount according to proof at trial.

SECOND CAUSE OF ACTION

FOR WRONGFUL TERMINATION IN

VIOLATION OF PUBLIC POLICY

(Against DISKEEPER and DOES 1-50)

Incorporation by Reference

24. PLAINTIFFS repeat, reallege and incorporate by reference each and every allegation set forth in paragraphs 1-13 and 15-18, above, as if set forth herein in full.

Public Policy Against Religious Discrimination

- 25. At all times mentioned herein, California Government Code § 12900 et seq. was in full force and effect and was binding upon DEFENDANTS, and each of them, and each of its employees. Section 12921(a) of the FEHA provides as follows:
 - "(a) The opportunity to seek, obtain and hold employment without discrimination because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, or sexual orientation is hereby recognized as and declared to be a civil right."

Emphasis added. Government Code Sections 12940(a) and (l) also prohibit religious discrimination, as described in Paragraph 15, above. In addition, Article I, Section 4 of the California Constitution declares that all citizens are guaranteed the right of the "[f]ree exercise and enjoyment of religion without discrimination or preference" The above-enumerated statutes and Constitutional provision (and others) set forth the "public policy" in the State of California to prohibit discrimination against any employee on the basis of his or her religion, among other things.

Discharge In Violation of "Public Policy"

26. PLAINTIFFS are informed and believe, and thereon allege, that DISKEEPER's termination of them amounts to not only religious discrimination in violation of California Government Code § 12940 et seq., but also a wrongful termination in violation of California's "public policy" against religious discrimination, as defined herein.

Damages

27. At the time of their discharges, PLAINTIFFS were earning substantial wages with bonuses annually, health insurance and other benefits, and could have been eligible, had they been retained, for annual pay raises and enhancements to their other benefits of employment. As a direct result of their discriminatory discharge in violation of the FEHA, PLAINTIFFS have suffered actual, incidental and consequential damages (past and future), which include, but are not limited to, lost wages, lost employment benefits, and lost bonus compensation, which damages are believed to be in excess of \$500,000 annually. The precise amount of damages sustained by PLAINTIFFS has not yet been ascertained and is subject to proof at trial.

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28. As an additional direct result of their discharge in violation of public policy, PLAINTIFFS have suffered significant personal, emotional and economic injuries (including, but not limited to, loss of wages, loss of bonuses, loss of employment benefits and other forms of employment compensation), emotional distress and/or physical health problems resulting from emotional distress caused by and occurring after their termination, loss of self-esteem, embarrassment, humiliation and mental anguish. The precise amount of damages sustained by PLAINTIFFS has not yet been ascertained and is subject to proof at trial.

Punitive Damages

29. The discriminatory decisions and actions inflicted upon PLAINTIFFS by DISKEEPER in violation of public policy were made in complete disregard of PLAINTIFFS' prior job performance and with the malicious intent to deprive them of their employment and with malicious or reckless disregard of the personal and economic injury that would be caused to PLAINTIFFS. In doing the things herein alleged, DISKEEPER was motivated by personal animosity, spite and ill-will toward PLAINTIFFS in a desire to injure, vex, harass and annoy them, and acted with the wrongful motive, intent and purpose of depriving PLAINTIFFS of the rights, benefits, protections and entitlements of their employment at DISKEEPER and of the security of their employment, knowing that it had no right to do so and fully intending the harm, both financial and emotional, which it knew would result from the termination of their employment. PLAINTIFFS are informed and believe, and on the basis of such information and belief allege, that the acts and conduct of the individuals who participated in such discrimination were expressly authorized by corporate officers of DISKEEPER (including, but not limited to, CHADWELL, Director of Corporate Affairs) prior to the occurrence of such unlawful conduct, and were subsequently authorized and ratified by the entire Board of Directors of DISKEEPER (including, but not limited to, JENSEN, Chairman of the Board) after such unlawful conduct occurred. DEFENDANTS' conduct was malicious and oppressive and, by reason thereof, PLAINTIFFS are entitled to punitive damages in an amount according to proof at trial.

THIRD CAUSE OF ACTION

FOR WRONGFUL RETALIATION IN

VIOLATION OF THE FEHA

(Against Defendant DISKEEPER and DOES 1-50)

Incorporation By Reference

30. PLAINTIFFS repeat, reallege and incorporate herein by reference each and every allegation set forth in paragraphs 1-13 and 15-18, above, as if set forth herein in full.

California Public Policy Against Retaliation

31. It is the public policy of the State of California to prohibit and prevent retaliation against employees who oppose or refuse to participate in activities that are violative of State or Federal law. For example, Government Code Section 12940(h), which was in effect and enforceable against DEFENDANTS at all times relevant to this action, provides that it is an "unlawful employment practice":

"For any employer, . . . or person to discharge, expel, or otherwise discriminate against any person because the person has opposed any practices forbidden under this part or because the person has filed a complaint, testified, or assisted in any proceeding under this part." Italics added.

Retaliation in Violation of FEHA

32. PLAINTIFFS, and each of them, engaged in protected activity by voicing their complaints about (and opposition to) DISKEEPER's imposition of training and education about the Scientology religion as a condition of their employment with the company. PLAINTIFFS' terms, conditions and privileges of employment -- including, without limitation, their ability to retain their jobs -- were expressly conditioned on their agreement and willingness to participate in the company-sponsored religious teachings and proselytizing activities. Because plaintiff LE SHAY refused to participate in said religious training or to subscribe to the Scientology religious

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beliefs, he was forced to resign. And when plaintiff GODELMAN voiced his strong objection to the unjustifiable requirement of religious study imposed on LE SHAY by DISKEEPER, and his outrage that DISKEEPER forced LE SHAY to resign instead of accommodating his request to be excused from the company-required Scientology training, he was terminated. The conduct of DISKEEPER as described herein was unlawful and in violation of the FEHA's anti-retaliation provisions, among other laws and regulations. The retaliatory actions taken against PLAINTIFFS were in violation of the public policy of the State of California and Federal law and resulted in damage and injury to PLAINTIFFS as alleged herein.

Exhaustion of Statutory Remedies

33. PLAINTIFFS have filed a timely charge of discrimination with the California Department of Fair Employment and Housing against DISKEEPER and have obtained "right to sue" letters dated December 26, 2006 (as to GODELMAN) and December 28, 2006 (as to LE SHAY). Thus, PLAINTIFFS have satisfied and/or exhausted any and all preconditions to bringing this action as required by California Government Code § 12940 et seq.

Damages

34. At the time of their discharges, PLAINTIFFS were earning substantial wages with bonuses annually, health insurance and other benefits, and could have been eligible, had they been retained, for annual pay raises and enhancements to their other benefits of employment. As a direct result of their discriminatory discharge in violation of the FEHA, PLAINTIFFS have suffered actual, incidental and consequential damages (past and future), which include, but are not limited to, lost wages, lost employment benefits, and lost bonus compensation, which damages are believed to be in excess of \$500,000 annually. The precise amount of damages sustained by PLAINTIFFS bas not yet been ascertained and is subject to proof at trial. In the alternative, PLAINTIFFS seek full back pay and lost employment benefits through the date of trial, and reinstatement to their former positions accompanied by a mandatory and/or prohibitory injunction prohibiting DISKEEPER from forcing or requiring any employee, as



a condition of employment, to study, adopt and/or apply the so-called "Hubbard Management Technology" and/or the related "Hubbard Study Technology" (both of which PLAINTIFFS intend to prove at trial are "cover" names for the fundamental teachings of the Scientology religion) in the workplace.

Emotional Distress Damages

35. As an additional direct result of the retaliation inflicted upon them in violation of the FEHA, PLAINTIFFS have suffered significant personal, emotional and economic injuries (including, but not limited to, loss of wages, loss of bonuses, loss of employment benefits and other forms of employment compensation), emotional distress and/or physical health problems resulting from emotional distress caused by and occurring after their termination, loss of self-esteem, embarrassment, humiliation and mental anguish. The precise amount of damages sustained by PLAINTIFFS has not yet been ascertained and is subject to proof at trial.

Attorneys' Fees and Costs

36. Pursuant to Government Code Section 12965, PLAINTIFFS are entitled to recover their reasonable attorneys' fees and costs in addition to all other damages permitted.

Punitive Damages

DEFENDANTS were in violation of the FEHA were made in complete disregard of PLAINTIFFS' prior job performance and with the malicious intent to deprive them of their employment and with malicious or reckless disregard of the personal and economic injury that would be caused to PLAINTIFFS. In doing the things herein alleged, DEFENDANTS were motivated by personal animosity, spite and ill-will toward PLAINTIFFS in a desire to injure, vex, harass and annoy them, and acted with the wrongful motive, intent and purpose of depriving PLAINTIFFS of the rights, benefits, protections and entitlements of their employment at

DISKEEPER and of the security of their employment, knowing that it had no right to do so and fully intending the harm, both financial and emotional, which it knew would result from the termination of their employment. PLAINTIFFS are informed and believe, and on the basis of such information and belief allege, that the acts and conduct of the individuals who participated in such discrimination were expressly authorized by corporate officers of DISKEEPER (including, but not limited to, CHADWELL, Director of Corporate Affairs) *prior to* the occurrence of such unlawful conduct, and were subsequently authorized and ratified by the entire Board of Directors of DISKEEPER (including, but not limited to, JENSEN, Chairman of the Board) *after* such unlawful conduct occurred. DEFENDANTS' conduct was malicious and oppressive and, by reason thereof, PLAINTIFFS are entitled to punitive damages according to proof at trial.

FOURTH CAUSE OF ACTION FOR WRONGFUL RETALIATION IN

VIOLATION OF LABOR CODE § 1102.5

(Against Defendants DISKEEPER and DOES 1-50)

Incorporation By Reference

38. PLAINTIFFS repeat, reallege and incorporate by reference each and every allegation set forth in paragraphs 1-13, above, as if set forth herein in full.

California Public Policy Against Retaliation

39. It is the public policy of the State of California to prohibit and prevent retaliation against employees who oppose or refuse to participate in activities that are violative of State or Federal law. For example, Labor Code Section 1102.5(c), which was in effect and enforceable against DEFENDANTS at all times relevant to this action, provides:

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"An employer may not retaliate against an employee for refusing to participate in an activity that would result in a violation of state or federal statute, or a violation or noncompliance with a state or federal rule or regulation." Italics added.

The California Supreme Court has acknowledged that Section 1102.5 represents the kind of "public policy" upon which a public policy tort claim may be premised. *See Green v. Ralee Engineering* (1998) 19 Cal.4th 66, 77 ("This provision reflects the broad public policy interest in encouraging workplace whistle blowers to report unlawful acts without fearing retaliation.").

Retaliation in Violation of FEHA

40. PLAINTIFFS, and each of them, engaged in protected activity by voicing their complaints about (and opposition to) DISKEEPER's imposition of training and education about the Scientology religion as a condition of their employment with the company. Both GODELMAN and LE SHAY terms, conditions and privileges of employment -- including, without limitation, their ability to retain their jobs -- were expressly conditioned on their agreement and willingness to participate in the company-sponsored religious teachings and proselytizing activities. Because PLAINTIFFS "refuse[d] to participate" in said religious training or to subscribe to the Scientology religious beliefs -- conduct which is forbidden to be imposed on employees under the FEHA and under Federal law -- they were either terminated or forced to resign. The conduct of DISKEEPER as described in this Complaint was unlawful and in violation of the FEHA's anti-retaliation provisions, among other laws and regulations. The retaliatory actions taken against them were in violation of the public policy of the State of California and Federal law and resulted in damage and injury to PLAINTIFFS as alleged herein.

<u>Damages</u>

41. At the time of their discharges, PLAINTIFFS were earning substantial wages with bonuses annually, health insurance and other benefits, and could have been eligible, had they been retained, for annual pay raises and enhancements to their other benefits of

employment. As a direct result of their discriminatory discharge in violation of the FEHA, PLAINTIFFS have suffered actual, incidental and consequential damages (past and future), which include, but are not limited to, lost wages, lost employment benefits, and lost bonus compensation, which damages are believed to be in excess of \$500,000 annually. The precise amount of damages sustained by PLAINTIFFS has not yet been ascertained and is subject to proof at trial.

Emotional Distress Damages

42. As an additional direct result of the retaliation inflicted upon them in violation of the FEHA, PLAINTIFFS have suffered significant personal, emotional and economic injuries (including, but not limited to, loss of wages, loss of bonuses, loss of employment benefits and other forms of employment compensation), emotional distress and/or physical health problems resulting from emotional distress caused by and occurring after their termination, loss of self-esteem, embarrassment, humiliation and mental anguish. The precise amount of damages sustained by PLAINTIFFS has not yet been ascertained and is subject to proof at trial.

Punitive Damages

43. The retaliatory decisions and actions inflicted upon PLAINTIFFS by DISKEEPER and DOES 1-50 in violation of the FEHA were made in complete disregard of PLAINTIFFS' prior job performance and with the malicious intent to deprive them of their employment and with malicious or reckless disregard of the personal and economic injury that would be caused to PLAINTIFFS. In doing the things herein alleged, said DEFENDANTS were motivated by personal animosity, spite and ill-will toward PLAINTIFFS in a desire to injure, vex, harass and annoy them, and acted with the wrongful motive, intent and purpose of depriving PLAINTIFFS of the rights, benefits, protections and entitlements of their employment at DISKEEPER and of the security of their employment, knowing that it had no right to do so and fully intending the harm, both financial and emotional, which it knew would result from the

1	termination of their employment. PLAINTIFFS are informed and believe, and on the basis of
2	such information and belief allege, that the acts and conduct of the individuals who participated
3	in such discrimination were expressly authorized by corporate officers of DISKEEPER
4	(including, but not limited to, CHADWELL, Director of Corporate Affairs) prior to the
5	occurrence of such unlawful conduct, and were subsequently authorized and ratified by the entire
6	Board of Directors of DISKEEPER (including, but not limited to, JENSEN, Chairman of the
7	Board) after such unlawful conduct occurred. DEFENDANTS' conduct was malicious and
8	oppressive and, by reason thereof, PLAINTIFFS are entitled to punitive damages in an amount
9	according to proof at trial.
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11	FIFTH CAUSE OF ACTION FOR
12	FAILURE TO PREVENT DISCRIMINATION
13	(Against DISKEEPER and DOES 1-50)
14	Incorporation by Reference
15	44. PLAINTIFFS repeat, reallege and incorporate by reference each and every
16	allegation set forth in paragraphs 1-13, above, as if set forth herein in full.
17	
18	Duty to Prevent Religious Discrimination
19	45. At all times mentioned herein, California Government Code § 12900 et seq.
20	was in full force and effect and was binding upon DEFENDANTS, and each of them, and each
21	of its employees. Section 12940(k) of the FEHA provides that it is an unfair labor practice:
22	"(k) For an employer to fail to take all reasonable steps
23	necessary to prevent discrimination and harassment from
24	occurring." Italics added.
25	Failure to Prevent Discrimination
26	46. By virtue of the acts and omissions alleged hereinabove, DISKEEPER
27	breached its statutory obligation to prevent religious discrimination from occurring, resulting in
28	injury and damages to PLAINTIFFS, and each of them, as set forth herein
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47. PLAINTIFFS have filed a timely charge of discrimination with the California Department of Fair Employment and Housing against DISKEEPER and have obtained "right to sue" letters dated December 26, 2006 (as to GODELMAN) and December 28, 2006 (as to LE SHAY). Thus, PLAINTIFFS have satisfied and/or exhausted any and all preconditions to bringing this action as required by California Government Code § 12940 et seq.

<u>Damages</u>

48. At the time of their discharges, PLAINTIFFS were earning substantial wages with bonuses annually, health insurance and other benefits, and could have been eligible, had they been retained, for annual pay raises and enhancements to their other benefits of employment. As a direct result of their discriminatory discharge in violation of the FEHA, PLAINTIFFS have suffered actual, incidental and consequential damages (past and future), which include, but are not limited to, lost wages, lost employment benefits, and lost bonus compensation, which damages are believed to be in excess of \$500,000 annually. The precise amount of damages sustained by PLAINTIFFS has not yet been ascertained and is subject to proof at trial. In the alternative, PLAINTIFFS seek full back pay and lost employment benefits through the date of trial, and reinstatement to their former positions accompanied by a mandatery and/or prohibitory injunction prohibiting DISKEEPER from forcing or requiring any employee, as a condition of employment, to study, adopt and/or apply the so called "Hubbard Management Technology" and/or the related "Hubbard Study Technology" (both of which PLAINTIFFS intend-to prove at trial are "cover" names for the fundamental teachings of the Scientology religion) in the workplace.

Emotional Distress Damages

49. As an additional direct result of DEFENDANTS' failure to take steps to prevent discrimination from occurring, PLAINTIFFS have suffered significant personal, emotional and economic injuries (including, but not limited to, loss of wages, loss of bonuses,

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loss of employment benefits and other forms of employment compensation), emotional distress and/or physical health problems resulting from emotional distress caused by and occurring after their termination, loss of self-esteem, embarrassment, humiliation and mental anguish. The precise amount of damages sustained by PLAINTIFFS has not yet been ascertained and is subject to proof at trial.

Attorneys' Fees and Costs

50. Pursuant to Government Code Section 12965, PLAINTIFFS are entitled to recover their reasonable attorneys' fees and costs in addition to all other damages permitted.

Punitive Damages

51. The discriminatory decisions and actions inflicted upon PLAINTIFFS by DISKEEPER were made in complete disregard of PLAINTIFFS' prior job performance and with the malicious intent to deprive them of their employment and with malicious or reckless disregard of the personal and economic injury that would be caused to PLAINTIFFS. In doing the things herein alleged, DISKEEPER was motivated by personal animosity, spite and ill-will toward PLAINTIFFS in a desire to injure, vex, harass and annoy them, and acted with the wrongful motive, intent and purpose of depriving PLAINTIFFS of the rights, benefits, protections and entitlements of their employment at DISKEEPER and of the security of their employment, knowing that it had no right to do so and fully intending the harm, both financial and emotional, which it knew would result from the termination of their employment. PLAINTIFFS are informed and believe, and on the basis of such information and belief allege, that the acts and conduct of the individuals who participated in such discrimination were expressly authorized by corporate officers of DISKEEPER (including, but not limited to, CHADWELL, Director of Corporate Affairs) prior to the occurrence of such unlawful conduct, and were subsequently authorized and ratified by the entire Board of Directors of DISKEEPER (including, but not limited to, JENSEN, Chairman of the Board) after such unlawful conduct occurred. DISKEEPER's conduct was malicious and oppressive and, by reason thereof,

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1	PLAINTIFFS are entitled to exemplary and punitive damages in an amount according to proof						
2	at trial.						
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4		WHE	EREFORE, plaintiffs GODELMAN and LE SHAY pray for judgment against				
5	DEFENDAN	DEFENDANTS, and each of them, as follows:					
6	Α.	<u>ON 1</u>	THE FIRST CAUSE OF ACTION:				
7		a.	For incidental and consequential damages, including lost wages and benefits				
8	(past and future), in excess of \$5,000,000, according to proof;						
9		b.	For general and compensatory damages, according to proof;				
10		c.	For punitive and exemplary damages, according to proof;				
11		d.	For an award of interest, including prejudgment interest, at the legal rate;				
12		e.	For attorneys' fees, expenses and other costs of suit;				
13		f.	For prospective injunctive relief in the form of a prohibitory and/or				
14	mandatory in	juncti	on requiring Defendants to cease, desist and forever refrain from forcing or				
15	requiring any	empl	oyec, as a condition of employment, to study, adopt and/or apply the so-called				
15 16		-	oyee, as a condition of employment, to study, adopt and/or apply the so-called ment. Technology" and/or the related "Hubbard Study Technology" in the				
	"Hubbard M	anage					
16	"Hubbard M	anage	ment Technology" and/or the related "Hubbard Study Technology" in the				
16 17	"Hubbard M	anage ccordi g.	ment Technology" and/or the related "Hubbard Study Technology" in the ing to proof at trial; and				
16 17 18	"Hubbard M workplace, a	anage ccordi g.	ment Technology" and/or the related "Hubbard Study Technology" in the ing to proof at trial; and				
16 17 18 19	"Hubbard M workplace, a	anage ccordi g.	ment Technology" and/or the related "Hubbard Study Technology" in the ing to proof at trial; and				
16 17 18 19 20	"Hubbard M workplace, a circumstance	anage ccordi g.	ment Technology" and/or the related "Hubbard Study Technology" in the ing to proof at trial; and For such other and further relief as the Court considers proper under the				
116 117 118 119 220 221	"Hubbard M workplace, a circumstance	anage ccordi g. es.	ment Technology" and/or the related "Hubbard Study Technology" in the ing to proof at trial; and For such other and further relief as the Court considers proper under the THE SECOND CAUSE OF ACTION:				
116 117 118 119 220 221 222	"Hubbard M workplace, a circumstance	anage ccordi g. es.	ment Technology" and/or the related "Hubbard Study Technology" in the ing to proof at trial; and For such other and further relief as the Court considers proper under the THE SECOND CAUSE OF ACTION: For incidental and consequential damages, including lost wages and benefits				
116 117 118 119 220 221 222 223	"Hubbard M workplace, a circumstance	g. S. ON 7 a. ure), i	ment Technology" and/or the related "Hubbard Study Technology" in the ing to proof at trial; and For such other and further relief as the Court considers proper under the THE SECOND CAUSE OF ACTION: For incidental and consequential damages, including lost wages and benefits in excess of \$5,000,000, according to proof;				
116 117 118 119 220 221 222 23 224 225 226	"Hubbard M workplace, a circumstance	g. ss. ON 7 a. ure), i	ment Technology" and/or the related "Hubbard Study Technology" in the ing to proof at trial; and For such other and further relief as the Court considers proper under the THE SECOND CAUSE OF ACTION: For incidental and consequential damages, including lost wages and benefits in excess of \$5,000,000, according to proof; For general and compensatory damages, according to proof;				
116 117 118 119 220 221 222 23 224 225	"Hubbard M workplace, a circumstance	anage ccordi g. es. ON 7 a. ure), i	ment Technology" and/or the related "Hubbard Study Technology" in the ing to proof at trial; and For such other and further relief as the Court considers proper under the THE SECOND CAUSE OF ACTION: For incidental and consequential damages, including lost wages and benefits in excess of \$5,000,000, according to proof; For general and compensatory damages, according to proof; For punitive and exemplary damages, according to proof;				

1		e.	For such other and further relief as the Court considers proper under the					
2	circumstances.							
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4	C.	ON T	THE THIRD CAUSE OF ACTION:					
5		a.	For incidental and consequential damages, including lost wages and benefits					
6	(past and future), in excess of \$5,000,000, according to proof;							
7		b.	For general and compensatory damages, according to proof;					
8		c.	For punitive and exemplary damages, according to proof;					
9		d.	For an award of interest, including prejudgment interest, at the legal rate;					
10		e.	For attorneys' fees, expenses and other costs of suit;					
11		f.	For prospective injunctive relief in the form of a prohibitory and/or mandatory					
12	injunction re	quiring	Defendants to cease, desist and forever refrain from foreing or requiring any					
13	employee, as	3- 8- 001	ndition of employment, to study, adopt and/or-apply the so called-"Hubbard					
14	Management	Tech	nology" and/or the related "Hubbard Study Technology" in the workplace,					
15	according to	proof	at trial; and					
16		g.	For such other and further relief as the Court considers proper under the					
17	circumstance	es and						
18								
19	D.	<u>ON</u>	THE FOURTH CAUSE OF ACTION:					
20		a.	For incidental and consequential damages, including lost wages and benefits					
21	(past and fut	ure), i	n excess of \$5,000,000, according to proof;					
22		b.	For general and compensatory damages, according to proof;					
23		c.	For punitive and exemplary damages, according to proof;					
24	;	d.	For an award of interest, including prejudgment interest, at the legal rate					
25	and							
26		e.	For such other and further relief as the Court considers proper under the					
27	circumstances.							
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E. 1 ON THE FIFTH CAUSE OF ACTION: 2 For incidental and consequential damages, including lost wages and benefits 3 (past and future), in excess of \$5,000,000, according to proof; b. For general and compensatory damages, according to proof; 4 For punitive and exemplary damages, according to proof; 5 c. d. For an award of interest, including prejudgment interest, at the legal rate; 6 7 For attorneys' fees, expenses and other costs of suit; and e. 8 f. For prospective injunctive relief in the form of a prohibitory and/or injunction requiring Defendants to cease, design and forever refrain from foreing on 10 requiring any employee, as a condition of employment, to study, adopt and/or apply the so "Hubbard Management Technology" and/or the related "Hubbard Study Technolog 11 workplace, according to proof at trial; and 12 13 For such other and further relief as the Court considers proper under the g. 14 circumstances. Dated: October 14, 2008 LAW OFFICES OF BARRY B. KAUFMAN 15 A Professional Corporation 16 17 18 for Plaintiffs nder J. Godelman and Marc Le Shay 19 20 21 **DEMAND FOR JURY TRIAL** 22 Plaintiff hereby demands a jury trial on all issues triable by jury. 23 Dated: October 14, 2008 LAW OFFICES OF BARRY B. KAUFMAN 24 A Professional Corporation 25 26 27 28 Alexander J. Godelman and Marc Le Shay

12 × 2 × 200

PROOF OF PERSONAL SERVICE

C.C.P. Section 1011

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I am employed in the County of Los Angeles, State of California. I am over the age of eighteen years and not a party to the within action; my business address is: 16133 Ventura Boulevard, Suite 700, Encino, California 91436.

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On October 14, 2008, I served the foregoing document described as:

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THIRD AMENDED COMPLAINT FOR DAMAGES

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by delivering a copy thereof to the following party in this action:

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Timothy Bowles, Esq.

Cynthia Bamforth, Esq. Law Offices of Timothy Bowles 12

> **BARRY B. KAUFMAN** Type or Print Name

One South Fair Oaks Ave., Suite 301

Pasadena, CA 91105 13

as follows:

I personally delivered a copy to the addressee.

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I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

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Executed on October 14, 2008, at Encino, California.

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PROOF OF SERVICE

STATE OF CALIFORNIA)	
)	SS
COUNTY OF LOS ANGELES)	

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is One S. Fair Oaks Avenue, Pasadena, California 91105.

On December 5, 2008 I served the foregoing document described as **DEFENDANT'S NOTICE OF MOTION AND MOTION TO STRIKE PORTIONS OF THIRD AMENDED COMPLAINT; MEMORANDUM OF POINTS AND AUTHORITIES** on counsel for plaintiffs in this action,

MR. BARRY B. KAUFMAN LAW OFFICES OF BARRY B. KAUFMAN A Professional Corporation 16133 Ventura Boulevard, Suite 700 Encino, California 91436

[X] BY OVERNIGHT DELIVERY:

[X] I deposited such documents in a box or other facility regularly maintained by the express service carrier, or delivered to an authorized courier or driver authorized by the express service carrier to receive documents, in an envelope or package designated by the express service carrier with delivery fees paid or provided for, addressed to the person on whom it is to be served, at the office address as last given by that person on any document filed in the cause and served on the party making service.

[X] (State) I declare under penalty of the laws of the State of California that the above is true and correct.

Executed December 5, 2008 in Pasadena, California,

Reberah Koren