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281065 -  
CITIZENSHIP  
1-11-88 (11/11/88)

IN THE UNITED STATES CLAIMS COURT

NO. 581-88T

**FILED**  
NOV 12 1991  
U.S. CLAIMS COURT

CHURCH OF SPIRITUAL TECHNOLOGY,

Plaintiff,

v.

THE UNITED STATES,

Defendant.

PLAINTIFF'S SUPPLEMENTAL BRIEF

Monique E. Yingling  
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ATTORNEY FOR PLAINTIFF

Of Counsel:

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November 12, 1991

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**DECLARATION OF LYMAN SPURLOCK**

I, Lyman Spurlock, hereby declare as follows:

1. The information contained herein is based on my personal knowledge and if called upon I could and would testify thereto.

2. Currently I hold an executive staff position for Church of Scientology International. Prior to October 1981 I held the staff position of Investments Officer International for Church of Scientology of California ("CSC"). In October of 1981 I left this position and joined a special project consisting of Norman Starkey, Terri Gamboa and Ron Pook that had been formed for the purpose of investigating and resolving various business and litigation matters affecting L. Ron Hubbard. My particular assignment was to work out Mr. Hubbard's estate plan and to structure an agency relationship with responsibility for handling some of his literary, financial and other temporal affairs. In this capacity I was employed and paid by Mr. Hubbard.

3. At the time I started on my assignment Mr. Starkey told me that several CSC staff personnel and outside attorneys had participated in a project called the "Mission Corporate Category Sort-out" ("MCCS") previously and had made several proposals for restructuring CSC that had a bearing on Mr. Hubbard's interests and relationships with the churches of Scientology. However, I was told that the

MCCS project was a failure and that I should start out with a fresh viewpoint and not pay any attention to nor utilize this previous work.

4. Soon after I began work on this new project Mr. Hubbard communicated to me concerning his wishes with respect to his estate planning. He instructed that he wanted his estate to be used to preserve the Scriptural materials of Dianetics and Scientology against any cataclysm so that it could be practiced by all future generations of mankind. He also instructed that I was to work out a disposition of his interests in the Scientology religious marks, the Scientology Advanced Technology and copyrights to the Scientology Scriptures that would ensure that these properties would forever be dedicated to the Scientology religion itself.

6. During this project I worked closely with Mr. Hubbard's personal lawyer -- Sherman Lenske, with the Los Angeles law firm Lenske, Lenske & Heller -- and with two lawyers who had been retained by the project because of their expertise in tax law -- Meade Emory and Leon Misterek, both with the Seattle law firm LeSourd & Patten. Soon after I joined the project Messrs. Emory and Misterek made the first proposal for Mr. Hubbard's estate plan, which consisted of several charitable remainder trusts. However, their proposal did not fit Mr. Hubbard's needs so I rejected it.

6. Subsequently, in early November 1981 I called a meeting at the offices of LeSourd & Patten to formulate a

new proposal. The conference lasted two days and was attended by Messrs. Emory and Misterek, Mr. Lenske and myself. We were the only participants at this conference other than an occasional, short appearance by one or two associates with LeSourd & Patten. After discussing various ideas and alternative estate structures at great length, we concluded that Mr. Hubbard's testamentary desires would best be accomplished by forming two Church organizations -- one to receive Mr. Hubbard's interests in the marks and Advanced Technology of the Scientology religion and the other to serve as a perpetual archive for the Scientology Scripture and to receive the copyrights from Mr. Hubbard's estate. During this meeting I conceived of the names Religious Technology Center and Church of Spiritual Technology for the two churches.

7. I submitted the estate plan worked out at this meeting to Mr. Hubbard. He approved the proposal, with certain modifications. One of the modifications that Mr. Hubbard specified was to include the provision in Church of Spiritual Technology's bylaws that partners of Lenske, Lenske & Heller serve as its "Special Directors" to ensure that Church of Spiritual Technology never engaged in any activity that would impair its tax-exempt status.

8. Just after Mr. Hubbard approved the proposal I conceived of an additional safeguard to protect the future of the Scientology religion -- giving Church of Spiritual Technology an option to acquire the religious marks and Advanced Technology from Religious Technology Center in the


extreme circumstance that the survival of the religion were threatened. I proposed this additional safeguard to Mr. Hubbard, which he approved.

9. Over the next several months I coordinated the implementation of the plan developed at the November 1981 meeting with staff of Church of Scientology International, which had become active in early December 1981. By early 1982 Religious Technology Center and Church of Spiritual Technology were formed and Mr. Hubbard had assigned rights to the Scientology religious marks and Advanced Technology to Religious Technology Center and options to Religious Technology Center's rights to Church of Spiritual Technology.

10. In accordance with the instructions I received when I began work on Mr. Hubbard's estate planning projects at no time did I seek to review, review or utilize any research or proposals generated by the MCCS project, nor to my personal knowledge did any other participant in Mr. Hubbard's estate planning project.

I declare under the penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on this 10th day of November, 1991 at Los Angeles, California.

  
Lyman Spurlock

DECLARATION OF SHERMAN D. LENSKE

I, SHERMAN D. LENSKE, do hereby declare as follows:

1. I am a principal in the law firm of Lenske, Lenske & Abramson, A Law Corporation (formerly known as Lenske, Lenske, Heller & Magasin), in Los Angeles, California, and have been a principal since its formation in February, 1981. The information contained herein is based on my personal knowledge and if called upon, I could and would testify thereto.

2. In April, 1981, my firm was interviewed and then retained by Norman Starkey and Terry Gamboa on behalf of L. Ron Hubbard to render legal advice with respect to various business and litigation matters affecting Mr. Hubbard.

3. The first area my firm addressed was pending litigation in which civil litigants suing churches of Scientology had named Mr. Hubbard in their suits or had attempted to notice his deposition.

4. Shortly thereafter, my firm began expanding its areas of representation for Mr. Hubbard to include non-litigation matters. In June, 1981, we were asked to review a proposal that had been made by Laurel Sullivan and other officials of Church of Scientology of California ("CSC") in connection with a corporate planning project they were involved with at the time. The purpose of this project was to restructure a number of top-level ecclesiastical and corporate positions in CSC. Mrs. Sullivan

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presented the proposal as a means of also protecting Mr. Hubbard's interests by safeguarding him from vexatious lawsuits.

5. The proposal formally submitted was to incorporate the two senior ecclesiastical management bodies within CSC, namely the Watchdog Committee and Commodores Messenger Org Int. The proponents of the proposal believed that separate corporations would insulate Mr. Hubbard from personal liability with respect to acts arising from management of churches of Scientology. Our firm opined that this proposal was faulty, would not accomplish the purpose for which it was presented, and would in fact aggravate the situation.

6. The proposal that we reviewed in June, 1981, was not implemented, and it is my understanding that shortly thereafter the planning project was disbanded. We were told that the proposals that had come out of that project were not satisfactory and that we should approach these areas with a fresh viewpoint. Consequently, we did not review any earlier research or proposals from this project or discuss them with any of the project's participants.

7. In the months following June, 1981, my firm became more involved in advising Mr. Hubbard with respect to his general business affairs and his estate plan, including the disposition of the Scientology religious marks. The personal representative of Mr. Hubbard that I primarily worked with during this time was Ron Pook, though I also worked with Mr. Starkey and Mrs. Gamboa to a lesser extent.



8. In approximately October, 1981, Lyman Spurlock replaced Ron Pook as Mr. Hubbard's personal representative and my firm and I began working primarily with Mr. Spurlock with respect to Mr. Hubbard's estate planning. At about that time, Mr. Hubbard retained Meade Emory and Leon Misterek, of the Seattle law firm of LeSourd & Patten, each with expertise in tax law, to advise him with respect to the tax aspects of his estate planning. Mr. Spurlock advised us that Mr. Hubbard was particularly concerned about the disposition of his copyrights to the Scientology religious Scriptures, his rights to the Scientology religious Advanced Technology, and his ownership of the religious marks. Mr. Hubbard, we were told, wanted assurance that these properties would remain forever dedicated to the religious of Scientology, after his death. With this in mind, we began conducting initial relevant research.

9. Thereafter, in November, 1981, I attended a two-day meeting at the offices of LeSourd & Patten to formulate a new proposal. The other participants attending this meeting were Meade Emory, Leon Misterek and Lyman Spurlock. After discussing various ideas and alternative estate structures at great length, we concluded that Mr. Hubbard's estate plan would best be accomplished by forming two organizations, namely one to receive from Mr. Hubbard the marks and Advanced Technology of the Scientology religion during his lifetime and the other to receive the copyrights following his death.

10. Over the next several months, my firm and I worked on the implementation of the plan developed at the November, 1981 meeting, including the incorporation of slight modifications based on Mr. Hubbard's review. One of these modifications was to include in the bylaws of the organization that would receive the copyrights provision for principals of my firm to be "Special Directors" of the organization, with the purpose of ensuring that the organization attain tax exempt status as soon as practical and that it operate at all times for its exempt purpose. In my capacity as a Special Director, I can categorically state that this organization has operated strictly in accordance with its exempt purpose. Another modification was for the same organization to hold options to the rights to be assigned to the other organization with respect to the Scientology religious marks and Advanced Technology.

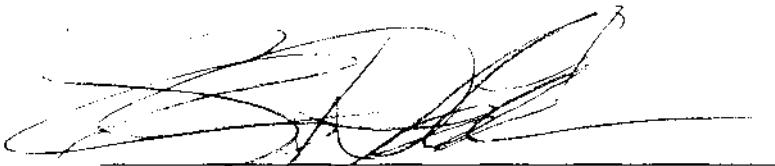
11. In early 1982, the estate plan was completed and was implemented with the formation of Religious Technology Center (in January, 1982) and Church of Spiritual Technology (in May, 1982), the assignment to Religious Technology Center of rights to the Scientology religious marks and Advanced Technology, and the grant to Church of Spiritual Technology of options to the rights Religious Technology Center had received to the Scientology religious marks and Advanced Technology (on May 22, 1982). All that remained to accomplish Mr. Hubbard's estate plan at that time was testamentary transfer to Church of Spiritual Technology of the balance of his estate, including his copyrights to the Scientology

religious Scriptures and his remaining rights to the Scientology religious marks and other properties.

12. At no time did anyone involved with the formation of Church of Spiritual Technology or Religious Technology Center ever express to me that the purpose for their formation was other than as stated above.

I declare under the penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on this 11<sup>th</sup> day of November, 1991, at Los Angeles, California.



SHERMAN D. LENSKE  
Declarant