

Scientology Suit Lacking Fraud Facts, Judge Says

By JOEL SAPPPELL, *Times Staff Writer*

A Los Angeles Superior Court judge has ruled that there is insufficient evidence in a \$1-billion lawsuit against the Church of Scientology to support charges that two corporations helped the religion's founder, L. Ron Hubbard, plunder church coffers.

The action last Friday by Judge Norman R. Dowds undercut a key portion of the class-action lawsuit, filed in December by a group of disaffected church members who claim to represent 400 ex-Scientists.

The suit alleged that a profit-making firm run by high-ranking Scientologists, Author Services Inc., had been used as a conduit to siphon church funds to Hubbard. Created for the same purpose, according to the suit, was the Church of Spiritual Technology, an arm of Scientology. Hubbard died in January, 1986.

But Dowds said the allegations were too broad and that the plain-

tiffs, despite court orders, had repeatedly failed to correct the shortcoming. Dowds said this led him to conclude that "there are no facts constituting fraud by them [the two corporations] that can be truthfully alleged."

Consequently, Dowds dismissed the two corporations from sections of the lawsuit that alleged they had committed fraud and had engaged in a conspiracy.

"The heart of the lawsuit is cut out," said attorney Lawrence E. Heller, who represented Author Services.

Lawrence Levy, a lawyer representing the disaffected Scientologists, acknowledged that Dowds' ruling "put a major hurdle in our path," but said he plans to appeal.

Beyond charges of financial wrongdoing, the suit alleges that Scientology officials have intimidated critics, lied about Hubbard's background and breached their fiduciary responsibilities.