

California

IN BRIEF

Court Rejects Challenges to Award in Scientology Case

■ **Lawsuit:** State justices let stand an appellate ruling that a 'preposterous' \$30 million in damages for a former church member be reduced to \$2.5 million.

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SAN FRANCISCO—The state Supreme Court on Thursday rejected challenges to a ruling that dramatically reduced a jury award of \$30 million against the Church of Scientology for coercive practices that drove a former member to the edge of insanity and bankruptcy.

The high court let stand a decision by the state Court of Appeal last July in the widely watched, nine-year legal battle between the Hollywood-based church and ex-Scientologist Larry Wollersheim. The appeals court upheld a jury finding that the church wrongly caused emotional injury but said the jurors' huge damage award was "preposterous" and must be slashed to \$2.5 million.

Thursday's action came in a brief order denying petitions for review that had been filed by both sides in the dispute. None of the seven justices voted for review.

Attorneys for Wollersheim had argued that the reduced award was inadequate because of the "manifestly outrageous" actions by the church. Lawyers for Scientology had contended that allowing punitive damages for religious practices violated the Constitution and had urged that the high court order a new trial.

August Murphy, a spokesman for the church in San Francisco, welcomed the state high court's decision. Nonetheless, he said, the church will appeal to the U.S. Supreme Court, contending that the award infringes on the organization's religious freedom.

"We feel very confident the U.S. Supreme Court will review the case," he said. "Any decision will have ramifications for all religions. We want the court to send a message to people who are trying to get rich filing malpractice suits against religious organizations."

Lawyers for Wollersheim could not be reached for comment.

Wollersheim filed suit in 1980, charging fraud and infliction of emotional injury. He contended that Scientology's practices—which he likened to brainwashing performed on American prisoners during the Korean War—aggravated an existing mental condition, driving him deeper into manic depression.

In one such practice, Wollersheim said he was subjected to psychological manipulation in a process called auditing, a sort of confessional in which individuals are asked intimate questions and their responses are monitored on a device similar to a lie detector. He participated in the practice only under verbal threats and psychological pressure, he said.

When he broke with the group after 11 years, he said, Scientology invoked a doctrine of retribution, called "fair game," in an effort to force his photography business into insolvency. At church direction,

members left his employ and urged others to boycott his products and to refuse to pay bills, he said.

The church denied Wollersheim's allegations of coercion, saying that its practices were religious in nature and thus protected by the Constitution. Any actions taken against his business were lawful, the church said. Church attorneys characterized the case as amounting to a "heresy trial" infringing on religious freedoms.

A trial judge dismissed Wollersheim's allegation of fraud but allowed the other charges to stand, and in July, 1986, a Los Angeles Superior Court jury awarded a whopping \$30 million in damages—\$5 million in compensatory damages and \$25 million in punitive damages.

The state Court of Appeal in Los Angeles upheld the jury's finding of wrongdoing by the church, finding there was substantial evidence to support Wollersheim's claim of emotional distress.

The panel, in an opinion by Appellate Justice Earl Johnson Jr. that was joined by Justices Mildred L. Lillie and Fred Woods, agreed that Scientology was a religion but rejected the church's contention that the lawsuit violated its right to religious freedom. The evidence indicated that the church practices were coercive, not voluntary, and thus were not shielded from civil liability, the panel said.

'Too Outrageous'

"Such conduct is too outrageous to be protected under the Constitution and too unworthy to be privileged under the law," Johnson wrote.

But the panel went on to find that the \$5 million in compensatory damages was "grossly disproportionate" and that the \$25 million in punitive damages was "preposterous" under the circumstances.

The court observed that the jury's total award would amount to nearly double the church's reported net worth of \$16 million at the time of the trial.

In other action Thursday, the justices agreed to decide whether West Hollywood can require 30 apartment owners to obtain conditional-use permits to convert their apartments into condominiums.

The apartment owners had acquired approval for their plans from Los Angeles County before the city was incorporated in 1984. The city quickly enacted an ordinance requiring its own permits in an effort to halt a wave of conversions that it said threatened the supply of rental units.

A Los Angeles Superior Court judge rejected a bid by the city to block the planned conversions. But last July, a state appeals court reversed that ruling, finding that the landlords could not convert to condos until they complied with city regulations.