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Torts

Claims Against Church and Affiliates By Ex-Members Properly Dismissed

The C.A. 2nd has upheld dismissal of a complaint filed by former members of the Church of Scientology that was based on allegations of fraud, disclosure of confidential confessions and the diversion of church funds.

Six individuals, a nonprofit organization, and a 400-member class sued 14 individuals, six nonprofit organizations, two corporations and five other entities for fraud, breach of fiduciary duty, and injunctive relief. The claims were based on allegations that the plaintiffs had been induced to join the Church of Scientology based on misrepresentations of the Church's tax status and charitable nature, of the Church founder's background as a nuclear physicist and a decorated war veteran, and of the founder's perfect health due to the practice of the Church's principles. The plaintiffs also alleged that the defendants had breached a fiduciary duty of confidentiality in disclosing their confessions and had diverted church funds for their own personal use. The complaint was amended five times; the final complaint sought damages for breach of a confidential relationship and racketeering as well as injunctive relief and imposition of a constructive trust. The trial court sustained the demurrers without leave to amend to the sixth amended complaint.

The C.A. 2nd affirmed. The trial court did not abuse its discretion in dismissing the fraud claim for failure to establish a causal connection between the misrepresentations and the plaintiffs' harm. The conspiracy claim was not supported by acts to further any agreement, and the absence of specific identifiable property defeated the plaintiffs' right to imposition of a constructive trust. The plaintiffs' failure to allege that confidential communications were disclosed supported the trial court order sustaining the demurrer. The racketeering claim was not backed by facts supporting extortion and was properly dismissed. Dismissal of the complaint was within the trial court's discretion.

Stansfield v. Starkey, C.A. 2nd, No. B037375, May 9, 1990, by Woods, J.

The full text of this case appears in the Daily Appellate Report on page 5074.

—S.L. GIMBEL