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13 CHURCH OF SCIENTOLOGY INTERNATIONAL

217/94

14 UNITED STATES DISTRICT COURT
15 FOR THE CENTRAL DISTRICT OF CALIFORNIA

16 CHURCH OF SCIENTOLOGY) CASE NO.
17 INTERNATIONAL, a California Non-) CV 91-6426 HLH (Tx)
18 Profit Religious Organization,)
19 Plaintiff,) DECLARATION OF JONATHAN
20 vs.) EPSTEIN
21 STEVEN FISHMAN and UWE GEERTZ,)
22 Defendants.)

23 I, JONATHAN EPSTEIN, declare and say:

24 1. I am over 18 years of age and a resident of the State of
25 California. I am the Treasurer of plaintiff Church of
26 Scientology International (CSI) and my ecclesiastical position is
27 International Finance Director. I have personal knowledge of the
28 matters set forth herein and, if called upon to do so, could and
would competently testify thereto.

2. I became a Scientologist in 1971 and the following year
joined staff at the Church of Scientology of San Francisco. From

1 1972 until the present I have been on staff at various Churches
2 of Scientology and out of the nearly twenty-two years that I have
3 been a staff member, I have spent twenty of those years in
4 finance-related positions, ranging from overseeing the finances
5 of an individual Church to overseeing the finances of CSI, which
6 is the Mother Church of the Scientology religion.

7 3. As part of my duties, on a weekly basis, I review the
8 proposed expenditures for CSI and its different subdivisions to
9 ensure that the money is properly spent according to Church
10 policy and that there are no financial irregularities. This
11 involves reviewing financial proposals relating to more than 1500
12 staff members, a twelve-story office building in Los Angeles
13 almost entirely utilized by CSI, a large computer network to
14 assist in international church management, and extensive film,
15 video and music facilities located on approximately five hundred
16 acres in Riverside County, California, which are used for the
17 preparation and production of religious training and
18 dissemination materials distributed all over the world. Thus, I
19 am quite familiar with where and how the Church's money is spent.

20 4. Further, it is my job to make sure that each individual
21 Church of Scientology has personnel in its respective treasury
22 and finance departments and that each one of those personnel
23 properly apply ecclesiastical policy. I am responsible for the
24 financial health of Scientology churches internationally.

25 5. Church finance policy requires the keeping of accurate
26 accounts. CSI was recently recognized as a tax-exempt religious
27 corporation by the Internal Revenue Service (IRS) on October 1,
28 1993. Prior to that time, thousands and thousands of pages of

1 CSI's financial records were provided to and scrutinized by the
2 IRS in the most comprehensive exemption review the IRS has ever
3 done of a church or any other entity in history. During that
4 review, the IRS determined that there was no evidence of
5 inurement to any individual and that CSI was organized and
6 operated exclusively for religious and charitable purposes. In
7 fact, not only did the IRS recognize CSI as a tax-exempt
8 religious entity, the IRS granted CSI group tax exemption
9 authority for other Churches of Scientology. Any statements made
10 by Steven Fishman or anyone else concerning inurement to any
11 individual are false and were contradicted by the findings of the
12 IRS. Further, Fishman's claims are inconsistent with my
13 experience of over twenty years in Church finance matters.

14 6. I am also familiar with all of the finance-related
15 positions in the various Churches of Scientology, including
16 Missions of Scientology. There has never been any position
17 entitled "Fields Financial Planner" or anything remotely similar
18 to that. I understand that Steven Fishman has claimed to have
19 held that post. That claim has no basis in fact. Fishman has
20 never held any finance staff or volunteer position in the Church.

21 7. CSI has never been involved in any of Fishman's schemes
22 or financial scams. Financial scams or any type of financial
23 fraud have never been condoned by CSI or any other Church of
24 Scientology. Fraud is completely contrary to Church policies
25 concerning honesty, truthfulness and exchange. Fishman's
26 allegations that CSI was involved in his criminal acts or any
27 type of financial fraud are patently ridiculous.

28 8. I have been informed that Robert Vaughn Young and Stacy

1 Young have alleged that Author Services, Inc. ("ASI") forced CSI
2 to send large sums of money to ASI and invented specious reasons
3 to hide the true nature of these transactions. There have never
4 been any such orders or expenditures.

5 9. Neither of the Youngs has ever been any kind of
6 corporate representative for CSI or any other Church of
7 Scientology. Neither has ever been in a position of authority in
8 the finance area for CSI.

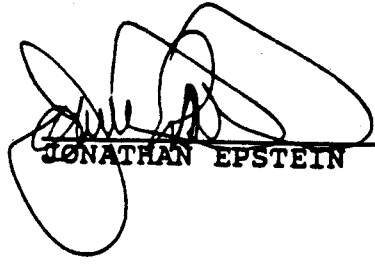
9 10. I have read Richard Behar's article on the Church of
10 Scientology published in Time Magazine and Fishman's and Geertz's
11 statements contained therein. I understood those statements to
12 pertain to CSI.

13 11. Prior to my reading of the Time article, I had no
14 knowledge of Steven Fishman or Uwe Geertz. I had never heard of
15 Steven Fishman or Uwe Geertz, and I had never spoken or had any
16 communication, correspondence, or contact with either Steven
17 Fishman or Uwe Geertz. Since the article was published, I
18 reviewed some records of CSI that state that Fishman paid Golden
19 Era Productions (a division of CSI) to purchase reel-to-reel
20 taped lectures given by L. Ron Hubbard. Those lectures were
21 never reproduced for sale. Therefore, the money was refunded to
22 Fishman. I have never had any other involvement in any
23 activities related to Steven Fishman or Uwe Geertz other than
24 their attempts to depose me.

25 12. I was not involved in CSI's decision to file the above-
26 entitled action, and I have not been involved in any aspect of
27 this litigation other than the approval of disbursements to pay
28 attorneys and expenses relating to litigating this case.

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

3 Executed this 7th day of February, 1994 at Riverside
4 County, California.

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7 JONATHAN EPSTEIN
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