

1 with the Internal Revenue Service ("IRS"). I have personal
2 knowledge of the facts set forth herein and, if called as a
3 witness, I could and would testify competently thereto.

4 2. I was first engaged to represent CSI and other
5 Churches of Scientology in early 1986 in connection with
6 applications for tax exemption then pending with the IRS
7 National Office. Through that representation, I became very
8 familiar with the corporate and legal structure and the
9 financial affairs of the Church of Scientology hierarchy and
10 related organizations. My responsibility for these matters
11 continued to increase and by early 1988, I had become lead
12 corporate and tax counsel for CSI. In this role I coordinated
13 with and shared responsibilities with other Church counsel. I
14 worked very closely with Thomas C. Spring, a specialist in exempt
15 organizations tax law, throughout this period.

16 3. In my capacity as lead corporate and tax counsel for
17 CSI, I reviewed virtually all major corporate and tax matters,
18 including proposals for changes in corporate or financial
19 structure, submissions to tax and other government agencies
20 on tax and corporate matters and regularly advised the staff in
21 CSI's legal division and Church executives with respect to tax
22 and corporate matters.

23 4. I acted in a similar capacity with respect to other
24 Churches of Scientology and related organizations. These
25 organizations included, but were not limited to, Religious
26 Technology Center, Church of Spiritual Technology, Church
27 of Scientology Flag Service Organization and Author Services,
28 Inc.

1 5. In my capacity as lead corporate and tax counsel for
2 CSI, I reviewed many of the major financial transactions of CSI
3 and the other organizations named above.

4 6. In my capacity as lead tax and corporate counsel for
5 CSI, I was involved with virtually all administrative tax matters
6 affecting the Church of Scientology hierarchy and related
7 organizations. I also coordinated with other counsel conducting
8 tax litigation matters where the tax litigation was not conducted
9 by me.

10 7. I represented CSI, other Churches of Scientology and
11 Scientology organizations during a series of negotiations with
12 the IRS which resulted in formal recognition of tax-exempt status
13 on October 1, 1993. In recognizing the exempt status of CSI and
14 other United States Church of Scientology organizations, the IRS
15 conducted an exhaustive examination over a two-year period
16 encompassing thousands of pages of documentation submitted for
17 that purpose. The IRS required extensive responses to numerous
18 detailed questions, ranging from questions regarding Church
19 activities and financial affairs to civil litigation and various
20 accusations of Church detractors, including the defendant herein,
21 Steven Fishman. The IRS's extensive queries into the financial
22 structure of the Churches of Scientology hierarchy, services they
23 deliver, the organization of individual Churches, the receipt and
24 disbursement of donations, and a myriad of other detailed
25 inquiries were fully satisfied in the process. The examination
26 by the IRS included the review of balance sheets, bank
27 statements, canceled checks and similar financial information.
28 The IRS's questions sought explanations regarding the most

1 inflammatory accusations and "information" regarding Scientology.
2 In addition to reviewing responses to specific questions, the IRS
3 also toured Church facilities and examined Church documents and
4 activities. Following its exhaustive review, the IRS was
5 satisfied that the Churches and other Scientology organizations
6 are organized and operated exclusively for charitable and
7 religious purposes and recognized their tax-exempt status. In so
8 doing, the IRS acknowledged CSI as the Mother Church of the
9 Scientology religion and recognized the corporate and financial
10 integrity of CSI and each of the other tax-exempt organizations.

11 8. Any assertion that the IRS did not review the Church's
12 activities and operations before recognition of exemption has no
13 basis in fact. Based on my personal experience and the
14 statements of IRS officials, there has never been a more
15 extensive or exhaustive review of the activities and financial
16 affairs of any tax-exempt organization.

17 9. I have continued to serve as lead tax and corporate
18 counsel for CSI and other churches of Scientology and related
19 organizations since my initial assumption of that role in early
20 1988 and continue to serve in that capacity today. Thus, over
21 the past six years I have worked directly with client
22 representatives from CSI and each of the other Scientology-
23 related entities that I have represented, and have had extensive
24 dealings with the executives and staff members who have
25 responsibility for corporate, legal, financial, and management
26 affairs.

27 10. Until the last few months, when they began filing
28 declarations in litigation, I had never heard of either Robert

1 Vaughn Young or Stacy Young. Neither Mr. Young nor Ms. Young
2 ever acted as a client representative for any of the Churches of
3 Scientology or related organizations that I dealt with on
4 corporate, tax, legal or financial matters, including Author
5 Services, Inc. I do not recall ever meeting either Mr. or Ms.
6 Young. Neither attended any meetings at which I was present
7 concerning any Church of Scientology or related organization's
8 corporate, tax, legal or financial matters. To my knowledge I
9 have received no submissions or information or had any
10 communication at all from either Mr. or Ms. Young.

11 11. It is therefore inconceivable to me that either Mr. or
12 Ms. Young played any significant role in the Church of
13 Scientology's corporate, tax, legal or financial affairs at any
14 time in the past six years. Moreover, neither Mr. nor Ms.
15 Young's name ever arose in the context of the corporate, tax,
16 legal and financial matters of prior years which I reviewed in
17 connection with the exemption process.

18 12. The allegations of Steven Fishman and his alleged role
19 in Scientology and its financial affairs were reviewed by the IRS
20 during the recent negotiations, as Steven Fishman's statements
21 had been provided to the IRS. Based on its review of various
22 Church financial records, including those of CSI, the IRS

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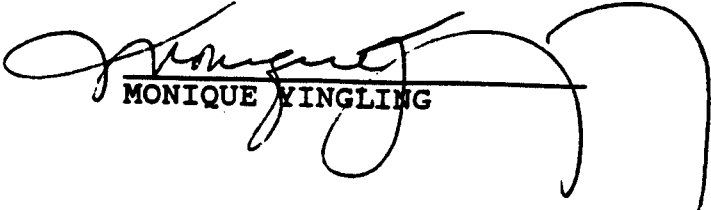
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necessarily concluded that Fishman's allegations were baseless,
or recognition of exemption would not have ensued.

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

Executed this 7th day of February, 1994, at Los Angeles,
California.



MONIQUE YINGLING