

RECEIVED

JUL 16 1992

Superior Court of California
County of Los Angeles
Los Angeles, California

HUB LAW OFFICES

COPY

CHURCH OF SCIENTOLOGY,
INTERNATIONAL, etc.

Plaintiff,

vs.

GERALD ARMSTRONG, ET AL.,

Defendant.

Docket No. BC 052-395

Los Angeles, California
May 27, 1992
8:30 a.m.

MOTION FOR PRELIMINARY INJUNCTION

THE HONORABLE RONALD M. SOHIGIAN, PRESIDING

COURT RECORDER:

J.W. CRUSE

TRANSCRIPTION BY:

PARRIS TRANSCRIPTS
P.O. Box 41754
Los Angeles, CA 90041-9998
(213) 254-4157

Proceedings recorded by electronic sound recording, transcript produced by transcription service.

APPEARANCES:

FOR THE PLAINTIFF:

ANDREW WILSON
Attorney at Law
235 Montgomery Street
Suite 450
San Francisco, California 94104
(415) 391-3900

LAURIE BARTILSON
Attorney at Law
Bowles & Moxon
6255 Sunset Boulevard
Los Angeles, California 90028
(213) 661-4030

FOR THE DEFENDANT:

FORD GREENE
Attorney at Law
HUB Law Offices
711 Sir Francis Drake Boulevard
San Anselmo, California 94960
(415) 258-0360

GRAHAM E. BERRY
Attorney at Law
Lewis, D'Amato, Brisbois & Bisgaard
221 North Figueroa Street
Suite 1200
Los Angeles, California 90012
(213) 250-1800

PAUL MORANTZ
Attorney at Law
P.O. Box 511
Pacific Palisades, California 90272
(213) 459-4745

1 issue before this Court.

2 THE COURT: Well, pardon me, that moves into the
3 next point that he makes. He says, look, to be sure, the
4 litigants cite cases which have some kind of potential
5 pertinence to this case. They talk about public policy, they
6 talk about confidentiality. But in making that determination
7 as a practical matter, deciding rather than just talking, what
8 you have to do, his argument is, is weigh the weight of the
9 inhibition on communication.

10 When the inhibition on communication restricts
11 somebody from communicating about trade secrets you have one
12 kind of a situation. There the proprietor of the trade secret
13 has presumptively a very, very substantial right in preserving
14 confidentiality. This after all is information which is
15 almost in the nature of property; it's something which
16 presumptively is lawfully acquired; it is something that
17 presumptively furthers a very significant interest in our
18 society; the interest in conducting business in a certain way;
19 it's interest which -- it's information which was turned over
20 to the other person under conditions of secrecy; it's
21 information which is guarded and protected in a certain way,
22 kept confidential, and so forth.

23 So that when somebody says, look, you can restrict
24 somebody from disclosing trade secrets, Greene's point is
25 yeah, I'll go along with that, that's an easy case. But he
26 says in this case what you have is something different. Here
27 you have at best for your client warring constitutional
28 rights. And as Greene sees it, a constitutional right on the

1 part of Armstrong counterbalanced by no right of that gravity
2 on the part of your client, the plaintiff.

3 Moreover, he says the information that is being
4 suppressed in the trade secret case is information which the
5 trade secret proprietor owns, at least as the law
6 fictionalizes that construct. The information that's being
7 suppressed in this case, however, is information about
8 extremely blame-worthy behavior of the plaintiff which nobody
9 owns; it is information having to do with the behavior of a
10 high degree of offensiveness and behavior which is meritorious
11 in the extreme.

12 It involves abusing people who are weak. It
13 involves taking advantage of people who for one reason or
14 another get themselves enmeshed in this extremist view in a
15 way that makes them unable to resist it apparently. It
16 involves using techniques of coercion. His argument is, when
17 you now begin to balance so as to make a determination about
18 what has to go into the calculus that gives rise to a public
19 policy assessment, you've got to balance that.

20 MR. WILSON: Well Your Honor, first of all I didn't
21 say that the employment case was on all fours with this case.
22 Cases that we rely on that are close to this case are the ones
23 we've already discussed.

24 Second of all, there is a public policy at work
25 here. And that policy is settlement agreements. And Mr.
26 Heller's declaration is very clear about why this case was
27 settled the way it was. Mr. Armstrong was running around
28 giving declarations in his own litigation, previous litigation

CERTIFICATION

I (WE) CERTIFY THAT THE FOREGOING IS A CORRECT TRANSCRIPT FROM THE ELECTRONIC SOUND RECORDING OF THE PROCEEDINGS IN THE ABOVE-ENTITLED MATTER.

PARRIS TRANSCRIPTION
P.O. BOX 41754
LOS ANGELES, CA 90041-9998
(213) 254-4157

GAIL I. PARRIS
OWNER

Gail Parris
SIGNATURE OF TRANSCRIBER

7-10-92
DATE