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**FILED**

APR - 2 2002

JOHN MONTGOMERY,  
County Executive Officer  
MARIN COUNTY SUPERIOR COURT  
BY: [Signature], DEPUTY

10 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
11 **FOR THE COUNTY OF MARIN**

12 CHURCH OF SCIENTOLOGY  
13 INTERNATIONAL, a California  
14 nonprofit religious corporation,

15 Plaintiff,

16 vs.

17 GERALD ARMSTRONG, an  
18 individual; ROBERT MINTON, an  
19 individual; THE LISA McPHERSON  
20 TRUST, a for-profit Florida corporation;  
21 and DOES 1 THROUGH 50, inclusive,

22 Defendants.

CASE NO. CV 021632

COMPLAINT FOR DAMAGES FOR:

- (1) BREACH OF CONTRACT;  
(2) INTENTIONAL INTERFERENCE  
WITH CONTRACTUAL RELATIONS;  
(3) CONSPIRACY TO BREACH  
CONTRACT AND TO INTERFERE  
WITH CONTRACTUAL RELATIONS

23 **INTRODUCTION**

24 1. This action is brought by Plaintiff CHURCH OF SCIENTOLOGY  
25 INTERNATIONAL ("CSI") to recover damages for breach of a Mutual Release of All  
26 Claims and Settlement Agreement (the "Settlement Agreement") entered into between  
27 CSI and Defendant Gerald Armstrong ("Armstrong") on December 6, 1986.

28 2. Beginning in late 1989, Armstrong systematically began breaching virtually  
every material covenant to which he had agreed by entering into the Settlement  
Agreement. In 1992, CSI instituted suit against Armstrong seeking damages for his  
repeated breaches and provisional and permanent injunctive relief against future breaches.

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SUMMONS ISSUED

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(10)

1 CSI obtained a monetary judgment and a permanent injunction ("the Injunction") in this  
2 Court. Armstrong, who characterizes this Court's Injunction as "illegal" and  
3 "unconstitutional," and "a great stupidity," began almost immediately to violate the terms  
4 of the Injunction. As a result, Armstrong has been found by this Court to be in contempt  
5 on two separate occasions, citing 14 separate violations, and is the subject of two  
6 outstanding bench warrants. On July 13, 2001, Armstrong was again found to be in  
7 contempt of the Injunction on no less than 131 additional occasions. Armstrong has  
8 evaded both the fines and the imprisonment to which he has been sentenced by fleeing the  
9 jurisdiction and relocating to British Columbia, Canada.

10 3. This action seeks redress for a total of 201 breaches of paragraph 7D of the  
11 Settlement Agreement. CSI asserts claims for breach of contract against Armstrong, as  
12 the contracting party, claims for intentional interference with contractual relations against  
13 Defendants Robert Minton and the Lisa McPherson Trust whose financial resources were  
14 intended to, and specifically enabled them to act in concert and conspiracy with  
15 Armstrong to perpetuate his ongoing contempt of this Court and to violate on virtually a  
16 daily basis CSI's contractual rights.

### 17 PARTIES

18 4. Plaintiff CSI is a nonprofit religious corporation organized and existing  
19 under the laws of the State of California with its headquarters located in Los Angeles,  
20 California.

21 5. Armstrong, a long-time resident of Marin County, is presently a fugitive  
22 from this jurisdiction, having fled the jurisdiction and relocated in Canada to avoid  
23 incarceration for his three criminal contempt convictions arising from his wilful, repeated  
24 violations of the Injunction, which was entered on May 28, 1992 by this Court, the  
25 Honorable Gary Thomas, Superior Court Judge, presiding.

26 6. Defendant Robert Minton ("Minton") is an individual who maintains  
27 multiple residences in Massachusetts, New Hampshire, Florida, and perhaps elsewhere.

28 7. Despite its deceptive and misleading name, Defendant Lisa McPherson Trust

1 ("LMT") is neither a trust nor any other sort of nonprofit enterprise. LMT, at all times  
2 until its dissolution in December 2001, was a for-profit corporation, organized and  
3 existing under the laws of the State of Florida, with its principal place of business in  
4 Clearwater, Florida. Minton is the founder, sole incorporator, and is the source of the  
5 financing of LMT.

6 8. LMT is, and at all times since its incorporation was, the alter ego of Minton  
7 and there exists, and at all times since LMT's incorporation has existed, a unity of interest  
8 and ownership between these two defendants such that any separateness between them  
9 has ceased to exist, in that Minton has completely controlled, dominated, managed and  
10 operated LMT since its incorporation for his own personal benefit.

11 9. LMT is, and at all times herein mentioned was, a mere shell, instrumentality  
12 and conduit through which defendant Minton carried on his own activities in the  
13 corporate name, exercising such complete control and dominance of the activities of LMT  
14 to such an extent that any individuality or separateness of LMT and Minton does not, and  
15 at all relevant times mentioned herein, did not exist. LMT made the barest pretense of  
16 adherence to corporate formalities. Indeed, Minton sold his entire interest in LMT to his  
17 mistress, Stacy Brooks ("Brooks"), for the sum of one dollar, yet continued to exercise  
18 complete control over LMT. Brooks, the President and sole shareholder of LMT, ran its  
19 affairs entirely under Minton's direction and for his benefit. Following the nominal  
20 transfer of ownership, Minton continued to finance LMT's operations. His control of  
21 LMT's finances was illustrated by the fact that he arranged for anonymous donors to  
22 transfer in excess of \$500,000 to LMT's bank accounts. Upon receipt of these funds by  
23 LMT, Brooks immediately paid them out to Minton as a "repayment" of undocumented  
24 "loans" now claimed to be owed Minton by LMT.

25 10. Adherence to the fiction of the separate existence of LMT as an entity  
26 distinct and apart from Minton would permit an abuse of the corporate privilege and  
27 would promote injustice in that Minton has used LMT as a means of financing,  
28 supporting, and enabling Armstrong to breach the Settlement Agreement on virtually a

1 daily basis.

2 11. The activities of LMT and Minton are and have been regular and systematic  
3 throughout California since its incorporation in 1999. Indeed, seven of LMT's key  
4 officials and members of its Advisory Board, as identified in LMT's own materials, are  
5 citizens and residents of California, and not resident or officed in Florida. Armstrong  
6 himself is a member of LMT's Advisory Board and was a Marin County resident until he  
7 absconded to Canada to avoid paying his fines and serving his jail time. Minton, through  
8 his own actions and those of his alter ego, LMT, has purposefully flouted an Injunction  
9 issued by this Court, thereby directly interfering with the lawful authority of the courts of  
10 the State of California.

11 12. At all relevant times herein Armstrong on the one hand and Minton and  
12 LMT on the other hand combined, conspired, and agreed to perform the unlawful acts  
13 which are the subject of this Complaint and to conceal from discovery both the unlawful  
14 acts and the unlawful, conspiratorial participation of Minton and LMT therein.

15 13. The true names and capacities of the persons and/or entities that are sued  
16 herein as Defendant DOES 1 through 50, inclusive, are unknown to Plaintiff at this time,  
17 who therefore sues said Defendants by such fictitious names. Plaintiff will amend this  
18 Complaint to show their true names and capacities when the same are ascertained.  
19 Plaintiff is informed and believes and thereon alleges that each of the DOE Defendants is  
20 responsible in some manner for the acts complained of herein.

21 **FACTS COMMON TO ALL CLAIMS FOR RELIEF**

22 14. On December 6, 1986, CSI and Armstrong entered into the Settlement  
23 Agreement, a true and correct copy of which is attached hereto and incorporated herein  
24 by reference as Exhibit A. The Settlement Agreement was designed to end, once and for  
25 all, bitter litigation, including several separate cases then pending. In consideration for a  
26 settlement payment of \$800,000, Armstrong and CSI exchanged mutual, general releases.  
27 In consideration, Armstrong made various covenants, including the following contained  
28 in paragraph 7D of the Settlement Agreement:

1 Plaintiff agrees never to create or publish, or attempt to publish, and/or  
2 assist another to create for publication by means of magazine, article, book  
3 or other similar form, any writing or broadcast or to assist another to  
4 create, write, film or video tape or audio tape any show, program or  
5 movie, or to grant interviews or discuss with others, concerning their  
6 experiences with the Church of Scientology, or concerning their personal  
7 or indirectly acquired knowledge or information concerning the Church of  
8 Scientology, L. Ron Hubbard or any of the organizations, individuals and  
9 entities listed in Paragraph 1 above. Plaintiff further agrees that he will  
maintain strict confidentiality and silence with respect to his experiences  
with the Church of Scientology and any knowledge or information he may  
have concerning the Church of Scientology, L. Ron Hubbard, or any of the  
organizations, individuals or entities listed in Paragraph 1 above. . . .  
Plaintiff agrees that if the terms of this paragraph are breached by him,  
that CSI and the other Releasees would be entitled to liquidated damages  
in the amount of \$50,000 for each such breach.

10 15. Beginning in late 1989, Armstrong began breaching his obligations under  
11 the Settlement Agreement, including the terms of paragraph 7D. As a result, CSI  
12 instituted suit against Armstrong, *Church of Scientology International v. Armstrong*,  
13 Marin County Action No. VC 157680 ("Armstrong 1"). Armstrong cross-complained,  
14 alleging that CSI had violated the Settlement Agreement and that the Settlement  
15 Agreement was void and unenforceable on a variety of grounds. Armstrong's claims  
16 were all dismissed as unfounded, and a judgment was entered in favor of CSI against  
17 Armstrong for more than \$500,000 in damages, interest and costs. In addition, the Court  
18 entered a judgment of Injunction against Armstrong barring additional breaches by  
19 Armstrong of the Settlement Agreement. Armstrong, who had conveyed away all of the  
20 assets which he had, including substantial cash and a residence which he had purchased  
21 with the fruits of his \$800,000 settlement, and who had subsequently discharged in  
22 Bankruptcy the monetary judgment entered against him, proceeded to violate the  
23 Injunction at will, resulting in the issuance of contempt orders against him on June 3,  
24 1997, and February 11, 1998, respectively, and bench warrants with respect to those  
25 citations on August 6, 1997 and May 15, 1998. (True and correct copies of said orders  
26 and bench warrants are attached hereto and incorporated herein by reference as Exhibits  
27 B and C respectively.) Armstrong was again found in contempt by Order dated July 13,  
28 2001. (A true and correct copy of this Order is attached hereto and incorporated herein

1 by reference as Exhibit D.)

2 16. Armstrong, having fled the jurisdiction, continued his contumacious conduct  
3 virtually unabated. Since the February 1998 contempt order, Armstrong made oral  
4 statements and statements created and transmitted via e-mail and by "posting" to the  
5 Internet newsgroup alt.religion.scientology thus committing more than 200 separate  
6 breaches of paragraph 7D of the Settlement Agreement and of the explicit terms of the  
7 Injunction. The date of each such breach and a short description of the substance of each  
8 is set forth in Exhibit E to this Complaint, and is incorporated herein by reference as if set  
9 forth in full.

10 17. Additionally, in December 1999, Armstrong traveled to Clearwater, Florida  
11 at the invitation of Minton and LMT, who paid for the expenses of Armstrong's visit,  
12 with the purpose and intent of enabling Armstrong to violate the Agreement including  
13 media and other public appearances as part of LMT's anti-Scientology campaign. While  
14 in Clearwater, Armstrong appeared at and addressed a gathering assembled and sponsored  
15 by LMT, which also produced a videotape of Armstrong's remarks. So brazen was  
16 Armstrong that he began his videotaped remarks by acknowledging that his address was  
17 prohibited by the Injunction.

18 18. On December 10, 1999, while still in Florida at the request and expense of  
19 Minton and LMT, Armstrong appeared at Radio Station WMNF-AM in Tampa, Florida  
20 and gave an interview on that station which violated paragraph 7D.

21 19. Minton is a self-appointed financial benefactor of persons such as Armstrong  
22 who are devoted to destroying the Scientology religion. Minton is also the sole  
23 incorporator of LMT, and is the source of funding for LMT's purpose – the demise of the  
24 Scientology religion. One of the earliest manifestations of his commitment to harm and  
25 act against the Scientology religion was Minton's offer, in March of 1996, of the sum of  
26 \$360,000 for information leading to a revocation of the tax-exempt status of Scientology  
27 churches. At approximately that time, Minton also gave substantial sums to California  
28 residents Grady Ward and Keith Henson, who were defendants in copyright actions

1 brought to protect Scientology's intellectual property rights.

2       20. In late 1997, Minton became a director of FACTNet, a corporation whose  
3 purpose is to maintain a library of negative and misleading, often utterly false, materials  
4 regarding the Church of Scientology. In 1999, Minton resigned as a director of FACTNet  
5 and in November of that year formed LMT.

6       21. Minton was first given notice of the Settlement Agreement and its terms by  
7 letter dated January 14, 1998 from counsel for CSI, which enclosed a copy of the  
8 permanent injunction issued against Armstrong "and those acting in concert" with him.

9       22. Upon facts not fully ascertained until the summer of 2000, it was in or about  
10 January 1998, Minton paid Armstrong at least \$90,000, of which at least \$25,000 was, by  
11 secret agreement between Minton and Armstrong, for the specific purpose of financing  
12 Armstrong's breaches of paragraph 7D of the Settlement Agreement.

13       23. In December 1999, when LMT was formed, Minton invited Armstrong to  
14 become a member of LMT's "Advisory Committee," with the knowledge that  
15 Armstrong's participation in that committee would of necessity involve a violation of the  
16 Agreement. Armstrong, in turn, served on the committee continuously through 2001 and,  
17 in furtherance of their conspiracy, repeatedly violated the Agreement by promoting  
18 LMT's anti-Scientology agenda through hundreds of Internet postings as well as media  
19 and other public appearances. Minton and his alter ego, LMT, were aware that  
20 Armstrong's primary means for violating paragraph 7D of the Settlement Agreement was  
21 by e-mail and postings to the newsgroup alt.religion.scientology. In December of 1999,  
22 in addition to earlier monetary payment or payments to Armstrong, Minton or his alter  
23 ego, LMT, purchased a computer for Armstrong for the specific purpose of using it to  
24 make publications of writings about CSI and other beneficiaries of the Settlement  
25 Agreement in violation of that Agreement and in furtherance of the conspiratorial scheme  
26 alleged above. Armstrong has testified in other proceedings that Minton knew at the time  
27 that the computer would be used in this fashion and gave it to Armstrong for exactly that  
28 unlawful purpose.

1           24. In June 2000, Armstrong traveled to Germany to attend a public ceremony  
2 where Minton was presented with an award for his anti-Scientology activities by a small  
3 group of like-minded extremists. During this trip, Armstrong met with media  
4 representatives and engaged in further breaches of the Settlement Agreement. On  
5 information and belief, these travels and actions were financed and supported by Minton,  
6 individually or through his alter ego, the LMT, with the knowledge that Armstrong would  
7 use this opportunity to further violate the Settlement Agreement.

8           25. From May through July of 2001, Armstrong traveled to Russia, Germany,  
9 Denmark, the United Kingdom, and other countries where he met with media personnel  
10 and made numerous public statements in violation of the Settlement Agreement. On  
11 information and belief, these travels and actions were financed and supported by Minton,  
12 individually or through his alter ego, the LMT, with the knowledge that Armstrong would  
13 use this opportunity to further violate the Settlement Agreement by making numerous  
14 public appearances where these violations occurred, including in Leipzig, Germany where  
15 Armstrong publicly appeared with Minton, Brooks and other LMT employees. Minton  
16 encouraged Armstrong in the above violations.

17  
18                                   **FIRST CAUSE OF ACTION**  
19                                   **(Breach of Contract of Gerald Armstrong)**

20           26. Plaintiff hereby incorporates by reference the allegations contained in  
21 paragraphs 1 through 25, inclusive.

22           27. By reason of the facts alleged in paragraphs 15, 16, and 17 above, Armstrong  
23 has committed 201 separate and distinct breaches of paragraph 7D of the Settlement  
24 Agreement, as a result of which CSI is entitled to liquidated damages of \$50,000 for each  
25 such breach, totaling \$ 10,050,000.

26                                   **SECOND CAUSE OF ACTION**  
27                                   **(Intentional Interference with Contractual Relations Against**  
28                                   **Robert Minton and LMT)**

29           28. Plaintiff hereby incorporates by reference the allegations contained in  
30 paragraphs 1 through 25, inclusive, and paragraph 27 above.



1 29. By reason of the facts set forth above, Minton and LMT had knowledge and  
2 notice of both the Settlement Agreement and the Injunction and nonetheless wilfully,  
3 deliberately, and maliciously aided and financially rewarded and enabled Armstrong to  
4 breach his contractual obligations, as alleged in paragraphs 15, 16, 17 and 24 above.  
5 Minton's intention in making payments to Armstrong and in causing LMT to make  
6 payments to Armstrong was to provide Armstrong with the financial wherewithal to allow  
7 him to continue his admitted breaches of the Settlement Agreement, to reward him for his  
8 earlier breaches, and to frustrate CSI and deny it the benefits of the Settlement Agreement  
9 to which it was and is entitled. In addition, in December 1999, Minton gave a computer  
10 to Armstrong as a reward for Armstrong's past breaches and to assist Armstrong to  
11 continue breaching paragraph 7D of the Settlement Agreement through e-mails and  
12 postings to the newsgroup alt.religion.scientology, thereby further frustrating CSI's  
13 efforts to obtain the benefits of the Settlement Agreement to which it was and is entitled.

14 30. As a direct and proximate result of the conduct of Minton and LMT as  
15 alleged above, CSI has been damaged in an amount in excess of the jurisdictional  
16 minimum of this Court, the exact amount of which will be proven at trial.

17 31. Minton and LMT harbor actual ill will and malice toward Plaintiff, and  
18 interfered with CSI's enjoyment of the benefits to which it was and is entitled under the  
19 Settlement Agreement as alleged above as part of Minton's and LMT's avowed plan to  
20 destroy the Scientology religion. Such conduct is wilful, malicious and despicable, and  
21 justifies an award of punitive damages in accordance with proof.

22 **THIRD CAUSE OF ACTION**

23 **(Conspiracy to Breach Contract And To Interfere**  
24 **With Contractual Relations Against**  
**Gerald Armstrong, Robert Minton and LMT)**

25 32. Plaintiff hereby incorporates by reference the allegations contained in  
26 paragraphs 1 through 25, inclusive.

27 33. As alleged in the First and Second Causes of Action, Defendants agreed and  
28 knowingly and wilfully conspired between themselves to enable Armstrong to breach his

1 contractual obligations and deliberately interfered with the contractual relations between  
2 Plaintiff and Armstrong and did the acts and things herein alleged pursuant to, and in  
3 furtherance of, the conspiracy and agreement as alleged above.

4 34. As a proximate result of the wrongful acts herein alleged, Plaintiff has been  
5 generally damaged in a sum to be proven at trial.

6 35. Further, at all times herein alleged, Defendants knew of the provisions of  
7 Plaintiff's Settlement Agreement with Armstrong. Notwithstanding this knowledge, the  
8 Defendants intentionally, wilfully, fraudulently and maliciously did the things herein  
9 alleged to defraud and oppress Plaintiff. Plaintiff is therefore entitled to exemplary or  
10 punitive damages in the sum of One Million Dollars (\$1,000,000).

#### 11 PRAYER FOR RELIEF

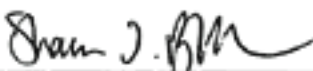
12 Plaintiff prays for relief as follows:

- 13 1. For damages in the amount of \$ 10,050,000 for the breaches alleged in the  
14 First Cause of Action;
- 15 2. For damages in accordance with proof on the Second and Third Causes of  
16 Action;
- 17 3. For punitive and exemplary damages on the Second and Third Causes of  
18 Action;
- 19 4. For costs of suit herein; and
- 20 5. For such other and further relief as the Court may deem just and equitable.

21 Dated: April 2, 2002

Respectfully submitted,

22 WILSON CAMPILONGO LLP

23  
24 By:   
25 Andrew H. Wilson  
Shauna T. Rajkowski

26 Attorneys for Plaintiff  
27 CHURCH OF SCIENTOLOGY INTERNATIONAL  
28