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6

7 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
8 **COUNTY OF LOS ANGELES**  
9

10 **CLAIRE HEADLEY,** ) **PLAINTIFF'S COMPLAINT FOR:**  
11 Plaintiff, )  
12 vs. ) **1) UNFAIR PRACTICES UNDER**  
 ) **B&P §17200 ET. SEQ**  
 ) **2) DISCRIMINATION**  
13 **CHURCH OF SCIENTOLOGY** )  
14 **INTERNATIONAL, a corporate** )  
15 **entity, RELIGIOUS TECHNOLOGY** )  
16 **CENTER, a corporate entity AND** )  
 ) **DOES 1 - 20**  
 )  
17 Defendants. )

18  
19 **INTRODUCTION**

20 1) This case is brought to challenge Scientology's  
21 longstanding refusal to comply with various laws, including state  
22 and federal labor laws. In addition to suffering illegal working  
23 conditions and wages, Plaintiff was ordered and coerced to have  
24 abortions by Defendants' management. Plaintiff had to terminate  
25 pregnancies to keep her position and small income as Defendants'  
26 servant. Defendant Scientology enterprises do not want employees  
27 missing time for babies and maternity leave.  
28

1           2)     The U.S. Supreme Court, the California Supreme Court  
2 and the Ninth Circuit Court of Appeals, have issued opinions  
3 supporting plaintiff's case. Defendants are subject to labor  
4 laws and other neutral laws of general applicability. The goals  
5 of this case include stopping the practice of ordering female  
6 employees to have abortions, and clearing the path for workers of  
7 Scientology organizations to obtain the compensation due them  
8 under state and federal labor laws. Plaintiff also seeks payment  
9 for her work at minimum wage and overtime rates.

10           3)     Defendant Church of Scientology International (CSI)  
11 represents itself to be the "Mother Church" of Scientology. CSI  
12 has its principal office and apparent headquarters in Los  
13 Angeles, California. The County of Los Angeles is an appropriate  
14 venue for this action. Religious Technology Center (hereinafter  
15 "RTC) purports to be the owner or managing agent for various  
16 copyrights and trademarks allegedly owned by the Scientology  
17 enterprise.

18           4)     Religious Technology Center (hereinafter "RTC")  
19 purports to be a California non-profit corporation. RTC's role  
20 in the Scientology enterprise is to supposedly control access and  
21 use of L. Ron Hubbard's intellectual property interests. RTC is  
22 the alleged owner or managing agent for various copyrights,  
23 trademarks or other intellectual property interests allegedly  
24 owned by, or licensed to, the Scientology enterprise.

25           5)     Plaintiff Claire Headley worked for defendants at below  
26 minimum wage compensation from 1991 to 2005. Plaintiff's work  
27 duties were clerical, commercial or secular in nature. Plaintiff  
28 is currently a resident of Los Angeles, California.

1           6)     At times herein material, and continuing, Defendants  
2 CSI and RTC were and are enterprises conducting business, and  
3 employers paying employees to conduct said business, within the  
4 State of California and in interstate commerce. Accordingly,  
5 said Defendants are subject to California and Federal laws  
6 concerning their work force, working conditions, business  
7 practices, minimum wage, payment for overtime and the protection  
8 of minors. As alleged in more detail herein, Defendants have  
9 systematically ignored and violated said laws to the damage of  
10 Plaintiff Headley and others similarly situated.

11           7)     Plaintiff is uncertain with respect to the identity of  
12 all persons or entities responsible and liable for this wrongful  
13 conduct and names said potential parties as Doe Defendants as  
14 authorized by California law.

15           8)     Defendants CSI and RTC, related Scientology entities  
16 and potential Doe Defendants, apparently claim that workers such  
17 as Plaintiff are not entitled to the benefits and protections of  
18 law including the labor laws. Defendants' claim to be above the  
19 law in the name of religion is without merit. The question of  
20 Scientology's status as a bona fide religion is subject to  
21 serious dispute, especially when one studies Scientology's  
22 history of adopting a religious cloaking to avoid governmental  
23 regulation and scrutiny, and L. Ron Hubbard's early writings  
24 disclaiming religious status, however, the religion issue is not  
25 dispositive of Scientology's claim to be free of most legal  
26 obligations. The weight of authority is contrary to Defendants'  
27 self-granted immunity from state and federal labor laws. As  
28 stated by the California Supreme Court, " to permit religious

1 beliefs to excuse acts contrary to law... would be to make  
2 professed doctrines of religious belief superior to the law of  
3 the land, and in effect to permit every citizen to become a law  
4 unto himself." Catholic Charities of Sacramento, Inc. v.  
5 Superior Court 32 Cal. 4<sup>th</sup> 527, 541 (2004) (Citing the U.S.  
6 Supreme Court) Scientology perceives itself to be a law unto  
7 itself. If not challenged, it becomes so. This case presents  
8 such a challenge.

9 9) This case involves unlawful business practices,  
10 including labor code violations, and presents a claim under the  
11 California Unfair Compensation Law. Business and Professions  
12 Code §17200 makes essentially all business torts and statutory  
13 violations, including violations of federal law, independently  
14 actionable under the California body of law on unfair competition  
15 and business practices. The California Supreme Court has  
16 expressly ruled that labor code violations are actionable under  
17 this law. The difference between what was paid as wages and what  
18 should have been paid under minimum wage and overtime laws  
19 qualifies as restitution damages under B&P Code §17203. Cortez v.  
20 Purolator Air Filtration Products Co. 23 Cal.4th 163, 177-179  
21 (2000)

22 10) The core facts cannot seriously be disputed. Plaintiff  
23 worked for Defendants from 1991 to 2005 and was not paid minimum  
24 wage or overtime. Plaintiff worked long hours including 100+  
25 hour weeks at below minimum wage, no compensation for overtime  
26 and insufficient time off. The work week was seven days not six  
27 as required by law. In the course of, and by reason of her  
28 employment with Defendants, Plaintiff was ordered to have

1 abortions, at her expense, and in fact intimidated into having  
2 abortions she did not want. Plaintiff is informed and believes  
3 that Defendants continue to ignore labor laws and coerce pregnant  
4 workers into forced abortions.

5 11) The U.S. Supreme Court has ruled that non-profit and  
6 religious entities must abide by labor laws including laws on  
7 wages and employment of minors. In the Alamo case (cited below),  
8 the court also found that persons performing work for a religious  
9 entity are covered by the labor laws even if they claim not to  
10 want or deserve the protection of the labor laws. Workers of  
11 religious entities are protected by the labor laws irrespective  
12 of whether workers consider themselves to be employees. The  
13 protection of labor laws cannot be waived. Persons working with  
14 the expectation of compensation or even slight reward  
15 (sustenance) are employees as a matter of economic reality  
16 according to the U.S. Supreme Court. Tony & Susan Alamo  
17 Foundation v. Sec. of Labor, 471 US 290 (1985). In accord,  
18 Mitchell v. Pilgrim Holiness Church Corp. 210 F.2d 879 (7<sup>th</sup> Cir.  
19 1954). See also, Prince v. Massachusetts, 321 U.S. 158 (1944)  
20 (Child Labor).

21 12) The California Supreme Court and the Ninth Circuit  
22 Court of Appeals have confirmed in well-considered opinions that  
23 religions are not exempt from laws of general applicability such  
24 as the labor laws. There is no constitutional right to exemption  
25 from minimum wage and child labor laws. See e.g. Elvig v. Calvin  
26 Presbyterian Church, 397 F.3d 790, 792 (9<sup>th</sup> Cir. 2003) (citing 3  
27 U.S. Supreme Court cases) and North Coast Women's Care Medical  
28 Group, Inc. v. Superior Court, 44 Cal. 4<sup>th</sup> 1145 (2008).

**ALLEGATIONS COMMON TO ALL COUNTS**

1  
2           13) Plaintiff Headley worked for Defendants until January,  
3 2005. At times herein material, Plaintiff performed clerical  
4 duties including being a secretary or office administrator for  
5 David Miscavige, the head of the Scientology enterprise.

6           14) While working for Defendants, Plaintiff was told she  
7 had essentially no rights as an employee. Plaintiff was forced  
8 to sign various documents over the years under duress and not  
9 given copies of said documents. Plaintiff suspects that  
10 documents forced upon her are replete with nonsensical and  
11 unconscionable terms that were obtained by duress and  
12 intimidation and for which there was no consideration or "meeting  
13 of the minds". Plaintiff continued to work under unlawful  
14 conditions, and signed whatever was demanded, in large part,  
15 because she was wrongly convinced by Defendant CSI into believing  
16 that she had no legal rights or viable options. Plaintiff was  
17 intimidated and coerced into working for Defendants, and staying  
18 in the trap, by numerous coercive practices including threats of  
19 disconnection from family, threats of corporal punishment and  
20 threats of debt bondage. According to Defendants, Plaintiff  
21 would owe a massive debt to Defendants if she breached her  
22 contract and covenants of employment.

23           15) While working for Defendants, Plaintiff Headley's life  
24 was effectively controlled by the management of the Scientology  
25 enterprise and Defendants. Among other things, at times herein  
26 material, Plaintiff was watched and guarded so as to prevent her  
27 escape, or make it prohibitively difficult. When she finally  
28

1 escaped, she was followed and confronted with threats at a bus  
2 station.

3 16) Defendants CSI and RTC, and Does, have a duty to inform  
4 employees of their rights under the labor laws. Not only did  
5 Defendants not advise employees of rights, Defendants mislead its  
6 employees about their rights. Workers such as Plaintiff Headley  
7 were told that Scientology does not have to pay them minimum wage  
8 or give them any rights because "it's a church", and/or workers  
9 have waived rights. Plaintiff came to accept such misinformation  
10 while working for CSI. Defendant CSI has been on notice that  
11 workers are entitled to at least the protection of Federal labor  
12 laws since the publication of the Alamo case in 1985, however,  
13 CSI has failed to follow the labor laws or give its workers  
14 proper notice of their true legal rights under labor laws. Tony  
15 & Susan Alamo Foundation v. Sec. of Labor, 471 US 290 (1985).

16 17) The First Amendment does not exempt religious  
17 organizations from minimum wage and child labor laws. Elvig v.  
18 Calvin Presbyterian Church, 397 F.3d 790, 792 (9<sup>th</sup> Cir. 2003).  
19 In accord, North Coast Women's Care Medical Group, Inc. v.  
20 Superior Court, 44 Cal 4<sup>th</sup> 1145 (2008). Plaintiff is entitled to  
21 the protection of the law as against the improper conduct of  
22 Defendants. Defendant had a duty owed to Plaintiff and other  
23 employees similarly situated to comply with the state and federal  
24 labor laws. Defendant intentionally, consciously and wrongfully  
25 made a tactical decision to ignore the labor laws, take its  
26 chances with a compliant and intimidated work force, and hope  
27 that the running of statutes of limitations would in the long run  
28 save Defendants millions of dollars.

1           18) Defendants have claimed that Plaintiff Headley, and  
2 apparently all of CSI and RTC's low level workers, have waived  
3 any right to the protection of the labor laws; however, as a  
4 matter of state and federal law, such rights cannot be waived.  
5 As cited below, the right to minimum wage under state law is  
6 especially made not waivable by statute. The Alamo case cited  
7 above is one of numerous cases that establish that the rights in  
8 question are not waivable. In addition to statutory and Supreme  
9 Court authority, any such purported written waiver of employment  
10 rights, a bogus recitation of fiction as fact, would not be  
11 enforceable on numerous other grounds including duress, menace,  
12 illegality and lack of consideration. Plaintiff was entitled to  
13 at least minimum wage and overtime for her work even if there was  
14 an agreement to the contrary. (Labor Code §1194) Further, it is  
15 a misdemeanor for an employer to require a waiver of compensation  
16 rights. (Labor Code §206) In addition to the Alamo case, the  
17 U.S. Supreme Court has ruled that the protections of the federal  
18 labor laws cannot be abridged or waived in Barrentine v.  
19 Arkansas-Best Freight System, 450 U.S. 728, 740 (1981). Under  
20 controlling laws, Defendant had a non-waivable duty to comply  
21 with wage and minor labor laws. Defendant breached said duty.  
22 Further, Plaintiff Headley made no voluntary or effective waiver  
23 of pertinent rights.

24           19) Pursuant to California Minimum Wage Order NW-2007,  
25 Defendant CSI was required to pay Plaintiff minimum wage and  
26 overtime compensation without any deduction for the purported  
27 value of room and board furnished to Plaintiff. In computing  
28 unpaid wages, therefore, Plaintiff is entitled to recover the



1 full amount of minimum wages, overtime and penalties due without  
2 offset. In any event, the real value of the meager existence  
3 provided by CSI would not satisfy the minimum wage and overtime  
4 requirements.

5 20) In attempting to control, and underpay, its employees  
6 such as former employee Plaintiff Headley, Defendant CSI, RTC and  
7 Doe Defendants, engaged in unlawful, unfair and fraudulent  
8 business practices. These improper activities include, but are  
9 not limited to, a) intimidation by assault, threat and menace, b)  
10 failure to pay minimum wage, c) failure to pay overtime, d)  
11 failure to give proper breaks, rest periods and days off, e)  
12 depriving minors of required education, f) working minor  
13 employees illegal hours at illegal tasks, g) not paying full  
14 wages upon termination, h) typically demanding releases for wages  
15 due or to become due in violation of Labor Code §203(i) and i)  
16 refusing employees access to their files and coercing workers to  
17 sign all requested documents upon demand and refusing to give  
18 workers copies of required documents.

19 21) Defendant CSI has engaged in additional unlawful and  
20 unfair business practices actionable under B&P Code §17200.  
21 Further investigation may disclose additional violations of law  
22 and unfair business practices committed by Defendant. In  
23 addition to the unlawful and unfair practice described above, one  
24 or more Defendants has committed the following unlawful or unfair  
25 practices:

26 a) Retaliation against Plaintiff's family business  
27 and others for pursuing labor claims, which is a violation  
28 of Labor Code 1102.5 and 98.6.

1           b)     Upon termination of employment, instead of paying  
2 wages due, CSI usually claims that the servant owes the  
3 master for services rendered.     In addition to being a  
4 further attempt to pay less than legal wages for labor  
5 performed, and being an unconscionable and unenforceable  
6 claim, the threat of a "Freeloader Debt" is used to  
7 intimidate and coerce employees into continuation of  
8 working under unlawful conditions.     At the conclusion of  
9 Plaintiff's employment with Defendants, Scientology  
10 asserted a "Freeloader Debt" against Plaintiff in the  
11 amount of \$96,580.     The use of the Freeloader Debt as a  
12 threat to force workers into the performance of labor for  
13 Defendants fits one definition of human trafficking.     See  
14 e.g. Penal Code 236.1.

15           c)     Defendant CSI and related Scientology entities  
16 have for years subjected minors to illegal labor and  
17 deprived them of a proper education for years.     In more  
18 recent times, the enterprise orders its pregnant employees  
19 to have abortions, which would qualify as an extreme unfair  
20 business practice actionable under B&P Code §17200 and  
21 other statutes.     Plaintiff was in fact a victim of this  
22 illegal and outrageous practice.

23           d)     Requiring that employees submit to testing and  
24 questioning on a primitive lie detector type device called  
25 an e-meter, which is a violation of state and federal laws  
26 prohibiting mandatory use of lie detectors or similar  
27 devices in the workplace.     See e.g., Labor Code §432.  
28

1 e) Engaging in Human Trafficking in violation of  
2 state and federal law.

3 **FIRST CAUSE OF ACTION FOR VIOLATION**

4 **OF B&P CODE §17200 ET. SEQ**

5 22) Plaintiff Headley realleges and incorporates the above  
6 paragraphs in their entirety.

7 23) Defendant CSI, RTC and Doe Defendants have engaged in  
8 illegal and unfair business practices in violation of B&P Code  
9 §17200, including but not limited to violations of state and  
10 Federal labor laws. The California Supreme Court has held that  
11 failure to pay proper wages is actionable and that restitution of  
12 wages unlawfully withheld, or not paid when due, is a remedy  
13 authorized by B&P Code §17200 and 17203. Cortez v. Purolator Air  
14 Filtration Products Co. 23 Cal.4th 163, 177-179 (2000)

15 24) Plaintiff Headley has suffered injury in fact and has  
16 standing to sue under B&P Code §17203 for herself and as a  
17 representative of persons wrongfully ordered and intimidated into  
18 having unwanted abortions. Among other things, upon termination  
19 of her employment in 2005, Plaintiff was entitled to timely  
20 payment of all wages due. At the time of termination, Defendants  
21 owed Plaintiff at least three years of back pay, which comes to  
22 an amount well in excess of \$25,000 and which will be sought in  
23 accordance with proof at trial.

24 25) Pursuant to B&P Code §17203, this court is empowered to  
25 enjoin the illegal conduct of Defendant CSI described herein.

26 26) Plaintiff brings this action for the public good and is  
27 therefore entitled to recover reasonable attorney's fees and  
28 costs. (C.C.P. 1021.5)

1                                   **SECOND CAUSE OF ACTION FOR DISCRIMINATION**

2           27) Plaintiff Headley realleges all paragraphs above in  
3 support of her second cause of action for wrongful  
4 discrimination.

5           28) Plaintiff Headley worked for Defendants CSI and RTC for  
6 many years before her escape in 2005. During this time,  
7 Plaintiff became pregnant on two occasions. Plaintiff was  
8 ordered to terminate these pregnancies by forced abortions.  
9 Plaintiff is aware that this was a relatively common practice at  
10 Gold Base. Plaintiff has knowledge of approximately twenty other  
11 female employees ordered to have abortions.

12           29) Forcing pregnant employees to have abortions  
13 constitutes discrimination against female employees and a  
14 violation of legal rights and other laws. Defendants ordered and  
15 coerced abortions primarily to get more work out of their  
16 pregnant employees and to avoid child care issues. Plaintiff  
17 seeks an order banning this practice in the future.

18           30) Pursuant to the law, Plaintiff Headley is entitled to  
19 an award for reasonable attorney's fees and costs.

20           WHEREFORE, Plaintiff requests:

- 21           1) A jury trial;
- 22           2) Restitution according to proof under the First Cause of  
23           Action;
- 24           3) A permanent injunction prohibiting Defendants and their  
25           agents for ordering and/or coercing abortions with  
26           respect to their employees;
- 27
- 28

- 1           4) An award of reasonable attorney's fees computed with an  
2           appropriate lodestar in consideration of the difficult  
3           and litigious nature of the CSI Defendant;
- 4           5) Such other relief as the court may deem just including  
5           costs.

6   January 20, 2009

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9   \_\_\_\_\_  
10    BARRY VAN SICKLE  
11    Attorney for Plaintiff  
12    CLAIRE HEADLEY  
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