

Scientologists must post \$60 million bond

By Deborah Hastings
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The U.S. Supreme Court yesterday refused to exempt the Church of Scientology of California from posting a bond of up to \$60 million while the church appeals a Los Angeles jury award. The organization contends the bond payment will drive it into bankruptcy.

Without comment, the high court rejected the Scientology case, which sought to void state law requiring the church to post bond while it appeals a \$30 million damages award to former Scientologist Larry Wollersheim, who claimed the church ruined him financially and mentally.

California law requires the losing side to post a cash bond of twice the judgment amount, or a surety bond of 1½ times the award. In the first instance, the church must pay \$60 million; in the second, \$45 million.

"We do feel it's outrageous, and we do

feel it's an injustice," said Kathleen Thorn, president of the Church of Scientology of California. "We will employ every possible remedy (to) ensure that not a single dollar of donations made by our parishioners toward our church charities" goes to Wollersheim, she said.

Attorneys for the church contend that posting the appeal bond would bankrupt the organization. They estimate the church's net worth at about \$13 million, including \$8 million that is tied up in litigation between the church and the Internal Revenue Service.

Wollersheim's attorneys argue that the California church is part of a nationwide organization that can afford to post the bond.

Wollersheim, 38, was a church member for 11 years. He filed suit in 1980, claiming the church had destroyed him mentally and financially.

A Los Angeles Superior Court jury awarded Wollersheim \$5 million in compensatory damages and \$25 million in

punitive damages last July 22.

Two months later, Superior Court Judge Ronald Swearingen denied the church's bid for a new trial or invalidation of the award. During that period, hundreds of Scientologists staged protest demonstrations outside the courthouse.

In October, the church filed notice that it would appeal the jury award. That month, the Supreme Court granted a request by the church to stay the bond requirement. Yesterday, after five months of review, the high court revoked the stay and sent the matter back to the state courts.

Earlier this month, the Supreme Court made a similar ruling in Texaco Inc.'s effort to avoid posting a potentially ruinous \$11 billion bond while appealing damages awarded to Pennzoil Co. in Texas. In that case, the court ruled that a federal judge should not have excused Texaco from posting bond and, as in the Scientology appeal, sent the case back to the state courts.