

R1

Church of Scientology International  
6331 Hollywood Blvd Suite 1200  
Los Angeles, California 90028-6329

Form 1023 - Period Ending 06/30/89  
59-2153393

Date Completed: 12-Mar-90

Statement # 4:

Part V - Line 10 Contributions, gifts, grants, and similar amounts paid:

Church of Scientology Religious Trust	200
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Totals	\$ 200
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Statement # 5:

Part V - Line 12 Compensation of officers, directors and trustees:

Name	Position	Time Devoted	Amount
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Heber Jentzsch	President	As Necessary	840
Brian Anderson	Vice-President	As Necessary	780
Jonathan Epstein	Treasurer	As Necessary	3,691
Lynn Farny	Secretary	As Necessary	873
Leslie Browning	Ass't Secretary	As Necessary	829
Mike Rinder	Director	As Necessary	4199
Thomas Ashworth	Director	As Necessary	4554
Guillaume Lesevre	Director	As Necessary	7706
Jens Urshkov	Director	As Necessary	5485
Janis Grady	Director	As Necessary	5018
Barbara Newton	Director	As Necessary	4670
Marc Yager	Trustee	As Necessary	0
Mark Rathbun	Trustee	As Necessary	0
Ray Mithoff	Trustee	As Necessary	0
Mark Ingber	Trustee	As Necessary	6880
Jeff Walker	Trustee	As Necessary	3462
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Total			\$ 48,986
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Statement # 6:

Part V - Line 17 Other Expenses:

Staff Room & Board & Other Benefits	2,275,271
Accounting Fees	353,365
Legal Fees	4,574,953
Bank Charges	34,319
Supplies	346,579
Telephone	663,485
Postage & Shipping	523,020
Utilities	315,238
Insurance	285,071
Equipment Rental & Maintenance	264,709
Printing & Publications	1,427,217
Film Production Expense	1,186,899
Church Welfare	1,500
Taxes	244,522
Film Royalties	233,842
Travel	818,411
Penalties	140
Missionary	11,187
Ministerial Training & Instruction	14,989
Ecclesiastical Technical Services - RTC	1,196,000
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Total Other Expenses	\$ 14,771,719
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Statement # 7:

Part V - Line 23 Bonds and notes:

Name of Borrower	Description	Rate of Return	Due Date	Amount
Jim Vannier	Staff Loan	Interest Free	No Due Date	1,500
Beth Brown	Staff Loan	Interest Free	No Due Date	1,240
Rick & Vicki Aznaran	Staff Loan	5% Per Annum	April 1997	20,000
Gary Bowser	Staff Loan	Interest Free	No Due Date	6,900
Linda Stuart	Staff Loan	Interest Free	No Due Date	37
Tony & Sarah Bazuik	Staff Loan	Interest Free	No Due Date	1,059
Staff Loans - Incomm	Staff Loan	Interest Free	No Due Date	6,854
Alex Lynas-Jones	Staff Loan	Interest Free	No Due Date	305
Tori Schell	Staff Loan	Interest Free	No Due Date	166
Jason Bennick	Staff Loan	Interest Free	No Due Date	5,400
Dave Medina	Staff Loan	Interest Free	No Due Date	2,785
Niklas Rakhonen	Staff Loan	Interest Free	No Due Date	1,500
Karen Dipple	Staff Loan	Interest Free	No Due Date	1,000
Pat Helmer	Staff Loan	Interest Free	No Due Date	10
Chris Zarcone	Staff Loan	Interest Free	No Due Date	20
Joe Caneen	Staff Loan	Interest Free	No Due Date	423
Su Johnson	Staff Loan	Interest Free	No Due Date	819
C of S New York	Operating Expenses	Interest Free	No Due Date	7,382
C of S Cincinnati	Operating Expenses	Interest Free	No Due Date	1,045
C of S Kitchener	Operating Expenses	Interest Free	No Due Date	5,775
C of S Relig. Educ. Coll	Operating Expenses	Interest Free	No Due Date	334,580
C of S Celebrity Ctr Int'l	Operating Expenses	Interest Free	No Due Date	842,330
World Inst of Scn Ent	Operating Expenses	Interest Free	No Due Date	34,152
Assoc for Better Living &	Operating Expenses	Interest Free	No Due Date	317,845
Scientology Missions Int'l	Operating Expenses	Interest Free	No Due Date	181,075
Bridge Publications, Inc.	Operating Expenses	Interest Free	No Due Date	411,829
C of S Santa Barbara	Operating Expenses	Interest Free	No Due Date	21,420
C of S Toronto	Operating Expenses	Interest Free	No Due Date	9,758
C of S Mission of Ann Arbo	Operating Expenses	Interest Free	No Due Date	3,786
C of S Michigan	Operating Expenses	Interest Free	No Due Date	306
C of S Orlando	Operating Expenses	Interest Free	No Due Date	4,366
C of S Florida	Operating Expenses	Interest Free	No Due Date	1,131
C of S CC Las Vegas	Operating Expenses	Interest Free	No Due Date	3,496
C of S Nevada	Operating Expenses	Interest Free	No Due Date	300

Total Bonds and notes

\$ 2,230,594  
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Statement # 8:

Part V - Line 27 Depreciable & depletable assets:

Land Improvements	326,579	
Less: Accum Depreciation	(15,254)	311,325
Leasehold Improvements	11,804,096	
Less: Accum Depreciation	(704,228)	11,099,868
Furniture & Equipment	26,994,837	
Less: Accum Depreciation	(15,333,940)	11,660,897
Motor Vehicles	697,399	
Less: Accum Depreciation	(409,911)	287,488
Films	3,334,502	
Less: Amortization	(1,388,961)	1,945,541
Software Purchased	419,891	
Less: Accum Depreciation	(20,995)	398,896
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Total Depreciable Assets		\$ 25,704,014 *****

Statement # 9:

Part V - Line 29 Other Assets:

Deposits	48,185
Deposits on Fixed Assets	112,994
Land Improvements in Progress	1,937,856
Assets Not Placed in Service	136,633
Construction in Progress	4,991,082
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Total Other Assets	\$ 7,226,750 *****

trust for funds of United States churches. In 1982 CSI directed United States churches to send their management payments to CSRT. In 1985 CSI instructed churches to pay it directly so CSRT no longer receives these payments. The other, Scientology International Reserves Trust ("SIRT"), is a Scientology religious trust formed in late 1988 to serve as the Scientology reserves trust for funds of foreign Scientology entities. SIRT performs the same function as CSRT except that it serves non-U.S. entities.

H. Private Benefit

The final ruling letter that terminated CSI's prior exemption determination proceeding concluded that CSI had failed to establish that it was not operated for the benefit of private interests because it did not provide information about individuals in positions of control with respect to various Scientology organizations and related interests. The direct implication of this conclusion is that the IRS suspects that these individuals use their positions of influence for their own financial benefit.

In point of fact, nothing can be further from the truth. Without exception, the men and women who serve in these fiduciary positions have made a fundamental commitment to the Scientology

religion. Their primary concern is the religion itself -- the last thing they think about are their personal and private interests. These men and women are not paid for serving as fiduciaries of their faith. Rather, each trustee, director and officer who serves on the staff of a church or church-related entity, receives his or her compensation for services performed as a staff member, not as a fiduciary.

Officer

- H. Jentzsch
- B. Anderson
- L. Farny

L. Browning

J. Epstein

CSI's of:  
these capacities.  
trustee (Mr. Ingh  
receive a nominal  
\$30.00 per week  
meals and lodging  
care or school tu  
in their work.

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<u>Trustee</u>	<u>Address</u>	<u>1989 Compensation As Trustee</u>	<u>1989 Compensation As CSI Employee</u>
M. Rathbun	6331 Hollywood Blvd. Los Angeles, CA 90028	- 0 -	\$ - 0 -
M. Yager	6331 Hollywood Blvd. Los Angeles, CA 90028	- 0 -	- 0 -
R. Mithoff	6331 Hollywood Blvd. Los Angeles, CA 90028	- 0 -	- 0 -
M. Ingber	6331 Hollywood Blvd. Los Angeles, CA 90028	- 0 -	9,276.24
<u>Director</u>	<u>Address</u>	<u>1989 Compensation As Director</u>	<u>1989 Compensation As CSI Employee</u>
B. Newton	6331 Hollywood Blvd. Los Angeles, CA 90028	- 0 -	\$ 6,166.47
J. Grady	6331 Hollywood Blvd. Los Angeles, CA 90028	- 0 -	7,190.01
M. Rinder	6331 Hollywood Blvd. Los Angeles, CA 90028	- 0 -	5,454.21
G. Lesevre	6331 Hollywood Blvd. Los Angeles, CA 90028	- 0 -	10,866.71

<u>Officer</u>	<u>Address</u>	<u>1989 Compensation As Officer</u>	<u>1989 Compensation As CSI Employee</u>
H. Jentzsch	5165 Fountain Avenue Los Angeles, CA 90029	- 0 -	\$ 2,165.00
B. Anderson	334 E Street, N.E. Washington, D.C. 20002	- 0 -	1,841.46
L. Farny	1609 N. Normandie Ave. Los Angeles, CA 90029	- 0 -	1,998.00
L. Browning	1616 N. Normandie Ave. Los Angeles, CA 90029	- 0 -	2,023.68
J. Epstein	6331 Hollywood Blvd. Los Angeles, CA 90028	- 0 -	5,053.87

CSI's officers, directors and trustees are not compensated in these capacities. However, CSI's officers and directors and one trustee (Mr. Ingber) also serve as full-time members of its staff and receive a nominal allowance for their services as staff members of \$30.00 per week and periodic bonuses (as indicated above for 1989), meals and lodging, medical and dental expenses (when necessary), child care or school tuition for children, and provision of clothing for wear in their work.

SCIENTOLOGY MISSIONS INTERNATIONAL

1989	3,038.00
1990	9,300.00

WORLD INSTITUTE OF SCIENTOLOGY ENTERPRISES

1989	3,800.00
1990	12,980.00
1991	5,000.00

In February 1990, CSI returned to IAS \$522,373.08 of the \$2,100,000 IAS had advanced to cover bail and legal costs of Scientologists arrested in Spain in 1988. An additional \$472,816.55 had been returned to the IAS in April 1989 by CSI's Spanish counsel, Gomez-Acebo Pombo.

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Question 9

b. Please list all expenditures after December 31, 1986, by IAS, or at the direction of IAS, to any individual affiliated with a Scientology-related organization or for any facility or asset, where the use or proceeds of such facility or asset are of benefit to any Scientology-related organization. The following expenditures need not be listed: (i) expenditures to individuals of the aggregate payment to the individual and his or her family members does not exceed \$10,000 over the entire period under discussion; and (ii) expenditures to a particular Scientology-related organization if the aggregate payment to the organization does not exceed \$50,000 over the entire period under discussion.

PAYMENTS TO INDIVIDUALS OF \$10,000 OR MORE

The IAS pays fundraising commissions to individual Scientologists around the world who help raise funds for the Association by soliciting new members and donations. For the most part, the only affiliation these individuals have with Scientology-related organizations is the fact that they are Scientologists. However, Church staff may also receive commissions from the IAS. Neither CSI nor any other Scientology-related organization had information regarding the payment of commissions to individual Scientologists in its possession. In order to provide a complete response to this question, CSI requested this information of the IAS.

AUSTRIA

JOHANN NIEDERMAYER

1991 12,419.65

GUNTHER PREISS

1989 3,867.99  
1990 13,178.82  
1991 28.90

GABRIELE RUPP

1989 352.63  
1990 15,663.56  
1991 11,015.18

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RANDY MERRILL

1989	3,654.00
1990	8,775.31
1991	3,800.00

CHUCK OVERFELT

1990	26,079.50
1991	210.00

BILL PELLETIER

1989	21,673.14
1990	3,764.62

MICHAEL DAVID PHILLIPS

1989	1,530.00
1990	10,480.00
1991	1,265.00

JEFF POMERANTZ

1989	619.00
1991	115,055.34

MICHAEL D. ROBERTS

1989	8,757.50
1990	13,972.00
1991	58,093.77

LORAL SELWAY

1990	230.00
1991	12,513.54

SHARON SKONETSKI

1989	22,596.18
1990	47,037.46
1991	17,178.44

STERLING MANAGEMENT LTD.

1990	7,082.50
1991	25,700.80