

Exhibit 10

Other Recent Problems Encountered By Scientology

St. Petersburg Times, Tuesday, July 11, 1989
Woman reveals Scientology secrets

Transcript of Radio Program
Florida Report, July 5, 1989
Broadcast by WUSF-FM, Tampa, Florida

St. Petersburg Times, Thursday, July 13, 1989
Scientology still grabs attention
By Bob Henderson

St. Petersburg Times, Friday, July 14, 1989
Judge holds up Scientology auction
By Teresa Burney, Times Staff Writer

1. The first article concerns a former Scientologist who was paid \$200,000 in a settlement with the church, and was placed under a court gag order, which she has chosen to violate. Her story confirms previously published accounts of the confidential upper levels of Scientology, especially concerning the OT III level, where the story of Xenu is revealed as true fact.
2. The radio transcript is about the same lady, except in this broadcast, she reveals another facet of the upper levels, previously unknown to us. She alleges that certain parts of Scientology are based on Satanism.
3. Bob Henderson's column shows a few of the less devious methods and situations in which Scientology can be implicated.
4. Scientologists and the Pinellas County property appraiser have disagreed for years over property taxes. This article shows that the organization owes \$3.4 million in taxes since 1982 on its 122 properties in Clearwater, Florida, which are worth \$21.5-million. A court will decide if they have to pay.

Woman reveals Scientology secrets

By STEPHEN KOFF
Times Staff Writer

Margery Wakefield got \$200,000 for settling a lawsuit against the Church of Scientology in 1986. In return, Scientology thought it had bought Ms. Wakefield's perpetual silence.

She wasn't supposed to disclose the \$200,000 figure. She wasn't supposed to talk about Scientology's top-secret training techniques. And she wasn't supposed to make claims about alleged hypnosis and Satanism in the church.

But Ms. Wakefield's been talking, going on Tampa Bay radio twice recently to discuss just these things. In so doing, she's testing not only the wrath of Scientology, but also the will of a federal judge.

Her freedom of speech is at odds with Scientology's demands of silence and U.S. District Judge Elizabeth A. Kovachevich's order to stop talking. Ms. Wakefield, 41, knows she could be found in contempt of court, and friends have warned she could be jailed.

She says she doesn't care.

"I feel that everybody else in the country is afraid to speak out" about Scientology, she said Monday. "I feel that I don't have anything to lose."

Said Bill Daugherty, a Scientology spokesman in the church's Clearwater headquarters: "We'd prefer that she not break the law."

When she settled her lawsuit in U.S. District Court in Tampa, Ms. Wakefield agreed in writing to put her old complaints behind her. She was a follower of Scientology, which she now considers a "cult," from 1969 until 1980. She sued the church in 1982, claiming breach of contract, fraud, false imprisonment and practicing medicine without a license.

After four years of a legal standoff, the church offered to pay Ms. Wakefield the previously secret sum of \$200,000. Scientology lawyers then asked Judge Kovachevich to seal the

court files, as well as files in three similar lawsuits.

Ms. Wakefield says she never wanted to be silenced, and she and others involved in the suits — including former Clearwater Mayor Gabe Cazares — have unsuccessfully urged Kovachevich to unseal the files. The *St. Petersburg Times* also wants the files unsealed, and is awaiting a decision on a motion it filed late last year. *Times* lawyer Patricia Fields Anderson argued in court last month that the files may contain newsworthy documents.

Few outsiders actually know what is in the files, but there have been hints. For instance, public docket sheets show that since the church settled, Scientology has tried to stop Cazares, Ms. Wakefield and another former member, Nancy McLean, from criticizing it. Docket sheets, similar to diaries, show dates and brief notations but don't give full details of court actions.

Cazares won his efforts to speak about matters outside his lawsuit, and Ms. McLean's case is unfinished, the docket sheets show. But as for Ms. Wakefield, who wrote a letter in a newspaper and spoke on a Boston television station about Scientology, Kovachevich in May ordered her not to talk.

Ms. Wakefield considers the order unfair and unconstitutional.

"Everyone's afraid to talk, and I just don't care anymore what the consequences are," she said. "I just need to let people know what they're getting into if they get into it (Scientology)."

She first went on the air July 5, when WUSF-FM broadcast a news story about the sealed Scientology files. The next day, she followed up with an hour-long, call-in show on WMNF-FM.

She disclosed the secret \$200,000 settlement. And, she talked about the secret "O.T." levels of Scientology training — short for "operat-

"Everyone's afraid to talk, and I just don't care any more what the consequences are. I just need to let people know what they're getting into."

— Margery Wakefield

ing thetan." A "thetan" is a spirit or a being that controls behavior, church documents say.

The O.T. levels are based on the story of "Xenu," ruler of the 90-planet Galactic Confederation about 75-million years ago. According to closely guarded Scientology materials, Xenu trapped selected beings in volcanoes on Earth, then dropped powerful H-bombs. The beings were destroyed, but their thetans were not. Xenu created electronic implants out of the thetans, so they would produce abnormal conduct in humans. According to the story, only Scientology can remove the thetans and end aberrant behavior.

The O.T. levels were introduced by Scientology's founder, the late L. Ron Hubbard. Hubbard wrote the best-selling *Dianetics* — which introduces readers to the elementary principles of Scientology but not the secret O.T. levels.

Details of Xenu have surfaced in the press before, but Ms. Wakefield is nevertheless forbidden to discuss them.

"It's our position that she has violated several things," said Michael Lee Hertzberg, a New York lawyer representing the church. He would not say what those "things" were. To even discuss them, he said, would violate the settlement agreement.

The church has not decided what action it will ask Kovachevich to take, Daugherty said. "I think in the next few days, we'll get a better idea of what could happen," he said. Ms. Wakefield "said on the air that she might go to jail. I don't know if that's a possibility, but she certainly has broken the injunction."



U.S. District Judge Elizabeth A. Kovachevich, above, in May ordered Margery Wakefield not to talk to reporters.

TRANSCRIPT OF RADIO PROGRAMS

"FLORIDA REPORT"

JULY 5, 1989

and

"MORNING REPORT"

JULY 6, 1989

BROADCAST BY WUSF-FM, TAMPA, FLORIDA

July 5, 1989
WUSF-FM

R. ADAMS: It is not unusual for out-of-court settlements to be kept confidential, but what makes this case unique is that the Scientologists were able to persuade a Federal judge to seal not only the settlement, but all of the documents filed in the case, documents that normally are open to public scrutiny and which had already been the subject of news accounts.

The St. Petersburg Times attorney, Pat Anderson, says the arrangement should not have been made.

P. ANDERSON: I really don't know what the Church argued on August 14, 1986 to convince the Court to seal the files. I don't know what, if anything, they argued was of a sufficiently compelling nature to warrant widespread, full scale, A to Z closure of those files.

R. ADAMS: Even more interesting is that the sealing has also acted as a gag order on the Plaintiffs who are not allowed to discuss the contents of the court files. At least one of the Plaintiffs has broken her silence and the Church has sought and won Court action enforcing the gag rule - actions themselves secret because the court sealing order even covers documents not yet filed which may relate to the case.

MS. ANDERSON: Apparently this order operates to seal things that aren't even in existence yet. They're sealed from the instant they come into existence.

R. ADAMS: What Anderson calls enforcement proceedings the Church has taken against Plaintiffs who have allegedly broken their court-imposed silence are of particular interest to the St. Petersburg Times. One of those Plaintiffs is Marjorie Wakefield. Wakefield became a Scientologist as a teenager in part because she suffered from psychological problems and says that the Church promised her that Scientology would cure her problems. For twelve years, Wakefield rose steadily through their ranks until she had entered its uppermost levels or what in Scientology terms are known as the "secret OT levels." She was forcibly expelled from the Church in 1980 and later sued for, among many things, fraud and practicing medicine without a license. Wakefield says Scientology is actually a cult that masqueraded as an alternative to psychology. She wants to warn others about what she says is the cult's true nature and says she never willingly agreed to the gag order.

MS. WAKEFIELD: The Church of Scientology does not want me to talk specifically because I do know about the secret levels.

I do know about the Satanic content of Scientology. What Scientology does not want people in the public to know is that they are a Satanic cult; that it is based on Satanism -- certain parts of it are based on Satanism. They do not want the public to know about their criminal activities and so they very simply do not want me to talk.

R. ADAMS: Wakefield says she settled her lawsuit against the Church for two hundred thousand dollars, money she assumed was meant to compensate her for the harassment she says she endured as a Scientologist. She says she was shocked and angered to discover that the money had also been intended to buy her silence.

You are under -- currently under a court order, is that correct, not to speak about the Church of Scientology or is it to not to speak about the issues in a suit that you filed against the Church?

MS. WAKEFIELD: My understanding is that I'm not to speak about my twelve years in the Church of Scientology or -- and particularly not to speak about the secret levels in Scientology and I also am not allowed to speak about the financial settlement that I received from Scientology in 1986.

R. ADAMS: And you have consciously decided you're going to break that agreement?

MS. WAKEFIELD: That's correct.

R. ADAMS: Outspoken former Scientologists are always harmful to the Church's elaborate and extensive recruitment program says Wakefield, but in her case there is an added threat because she had entered the secret OT levels which detail the science fiction-like view of the world invented by Scientology's founder, the late science fiction writer, L. Ron Hubbard. Wakefield and other former members say that hypnosis and other cult-like mind control tactics are employed in Scientology courses to keep members hooked.

MS. WAKEFIELD: One of the things about Scientology is that when you first get in, even on the very first course -- the communications course -- you do a series of drills called "training routines" -- particularly "training routine zero", known as TR Zero. These are hypnotic processes. In TR Zero you sit with your knees touching another person's knees and you look directly into their eyes for two hours without blinking. If you blink, you have to start the two hours over. And these are hypnotic processes and in my case they worked very quickly.

R. ADAMS: Critics, including L. Ron Hubbard's son, say the ultimate purpose for these tactics is raising money. The courses cost thousands of dollars which help the Church of Scientology to earn hundreds of millions of dollars worldwide each year. In her twelve years as a Scientologist, Wakefield says she paid sixty thousand dollars for courses, including one course alone which cost sixteen thousand dollars. Wakefield also poses a threat to the Church's image because she says she witnessed the planning and ordering of dirty tricks employed by the Church against its critics. She says there is a policy called "fair game" which targets critics of Scientology for retribution.

MS. WAKEFIELD: According to the "fair game" policy in Scientology, enemies can be destroyed, attacked in any way.

R. ADAMS: Wakefield says the attacks on enemies even included murder plots against critics. Acting as a volunteer member of the inner office of the Church known as the "Guardian's Office", Wakefield says she witnessed the planning of two murder plots against the author of an exposé on Scientology and of a dissident Church member. There was what she called an order issued to shoot the author and an order to "deep-6" the dissident. "Deep-6" is Scientology terminology, says Wakefield, for attaching heavy weights to a person and throwing them into the sea.

MS. WAKEFIELD: They were planning to throw him overboard, basically, and drown him.

R. ADAMS: The murders never took place but she says both critics were subjected to lengthy harassment. Did it occur to you at the time when you overheard people literally plotting a murder of someone -- did it occur to you that that was wrong and that you should get to the nearest phone and call the police?

MS. WAKEFIELD: No, it didn't. I was -- you know, I thought, like every Scientologist at that time, I thought, you know, the rule is the greatest good for the greatest number of dynamics and Scientology is known as the third dynamic and there is just a rule within Scientology that if it's good for Scientology, whatever it is, that it's sanctioned and, you know, being hypnotized and brainwashed, I sat there and I thought, "Fine. If this is what has to be done to protect our group from the enemies, then this is what has to be done."

R. ADAMS: Wakefield says she became "fair game" after suing the Church and was followed, verbally harassed, threatened, her car was vandalized and her apartment broken into.

MS. WAKEFIELD: I came home at about eleven o'clock one

night and I found blood dripping down my bedroom wall and the blood was still wet and it was still dripping down the wall and this is just an example. I mean, it's a very typical example of the kinds of harassment that they do.

R. ADAMS: It was more elaborate and severe harassment against former Clearwater Mayor, Gabe Cazares, that led him to sue the Church. Cazares, a respected, long-time resident and public servant of Clearwater, had vigorously opposed the Church's entry into the city when he was Mayor and was labelled an enemy of the Church according to internal Church documents seized by the FBI and later made public. Cazares has honored the terms of his settlement and won't talk publicly about the suit, but like Marjorie Wakefield, he says he never willingly agreed to such an all-encompassing gag order. He remains a staunch critic of Scientology which he, too, labels a dangerous cult. In an interview recorded last year, Cazares explained how the Church, deceptively using a series of front groups, purchased large properties in Clearwater, including the landmark Fort Harrison Hotel which now serves as one of its international headquarters.

G. CAZARES: This sounds so fantastic that people are going to say, "Well, you know, this is off the top," but here it isn't. Clearwater was the first city in 200 years in America to be occupied deliberately by an international paramilitary terrorist organization and right now the Scientologists are carrying out their plan.

R. ADAMS: It was comments like these that earned Cazares the wrath of the Scientologists. In a well-documented campaign against him, Scientology's top officials labelled then Mayor Cazares "fair game." Details of the campaign are documented in the St. Petersburg Times and in a book about Scientology called Religion Inc. by British journalist, Stewart Lamont. It is verified by L. Ron Hubbard's son in a lengthy interview published by Penthouse magazine. Members of the Church of Scientology's so-called Guardian's Office staged a hit-and-run accident implicating Cazares' involvement and made repeated harassing phone calls to his wife, planted forged documents purporting to prove that Cazares was a bigamist, and circulated bogus and damaging letters throughout Clearwater designed to harm him politically. These and other incidents of harassment led to his suit. In the interview last year, the former Mayor who now works with the National Cult Awareness Network said that despite Church statements to the contrary, Scientology has not changed.

G. CAZARES: The Scientologists proved that you can't change the spots on a leopard; that you can make a silk purse out of a sow's ear. You know, it's the same old thing, pouring new wine in old bottles. I could go on and on.

R. ADAMS: The St. Petersburg Times has been trying to open the Court files, says Pat Anderson, because their contents may help in understanding current Church activities, but part of the Church's legal argument against lifting the sealing order is that the St. Petersburg Times did not act in a timely fashion, waiting more than 2 years to request access to the cases and to the settlement. Last week, a spokesman for the Church declined to be interviewed for this report, but questioned the Times' interest in the cases stating that they involved events that happened a decade ago. Times' attorney, Pat Anderson, counters that since the sealing order covers current enforcement proceedings against Marjorie Wakefield, the issue is again timely and newsworthy. Anderson argues that the public has a right to information contained in the Scientology court files.

P. ANDERSON: I imagine everything that the Church of Scientology does is of interest to the people who live in Clearwater, to the taxpayers of Pinellas County, and as far as I can tell nobody has yet told me that there is a compelling interest in keeping those court files secret, sufficient to overcome the public's interest in seeing the file open. In fact, what has been articulated is simply private interest.

R. ADAMS: While the case lingers in court, Anderson says the sealing order has made reporting on Scientology difficult for the St. Petersburg Times. Despite repeated requests, the Church of Scientology's attorneys declined to answer questions for this report. This is Roger Adams reporting.

Scientology still grabs attention

Most local residents now realize that all those people in white uniforms scurrying along Clearwater's downtown streets are Scientologists, although some tourists still ask whether we have a U.S. Navy base in town.

But even locals were mystified by the new outfit — black shorts with black T-shirt or tank top. So I called Bill Daugherty, a Scientology spokesman here, who said those black-attired people are part of the "estate crew." They do gardening chores and cleanup work at Scientology's many buildings plus other "menial-type" tasks, he said.

"They work as a team and really get into it," Daugherty said. He added that they are "just a small part" of the estate crew, which also includes those who work on new construction and do regular building maintenance.

■ ■ ■

While driving in downtown Dunedin the other day, a bumper sticker on the car in front of me caught my attention:

Psychiatry kills. Don't let them drug your children. 1-800-869-CCHR.

Suspecting a Scientology connection, I called the number and reached the Scientology-affiliated Citizens Commission on Human Rights in Los Angeles.

A woman asked why I was calling and I said I was curious about this bumper sticker I had seen. She took my name and address, and in a few days I received a "Hello!" letter that stated:

"The Citizens Commission on Human Rights is an organization established to investigate and expose psychiatric violations of human rights. We have been doing this for 20 years in the areas of electric shock treatments, psychiatric rape and abuse, and the psychiatric drugging of schoolchildren through the use of dangerous and addictive am-



CLEARWATER TIME
ST PETERSBURG
EDITOR'S NOTE TIME
BOB 7/13/89
HENDERSON

phetamines like Ritalin."

Enclosed with the letter were two pamphlets — "How Psychiatry Is Making Drug Addicts Out of America's School Children" and "Ritalin: A Warning for Parents and Teachers."

The Citizens Commission on Human Rights is periodically promoted by local Scientologists, who have appeared on cable TV talk shows to denounce Ritalin.

■ ■ ■

Members of the West Florida Y Runners Club recently gathered for their quarterly dinner meeting at Chief Charley's Restaurant in Dunedin and got more than they bargained for.

Before the scheduled program had begun, while people were still eating, a woman walked up to the microphone at the head table and introduced herself as Sardia Johnson of the local Dianetics running team. *Dianetics, the Modern Science of Mental Health* is the 39-year-old book written by Church of Scientology founder L. Ron Hubbard that still is used by his followers.

The woman said she and her fellow Scientology runners enjoy all of the road races sponsored by the club and appreciate the dedication of club president Skip Rogers, who was stepping down that night after a two-year term. She then presented Rogers with a leather-bound volume of *Dianetics*.

He was speechless. A few people applauded. Most just sat there dumbfounded.

The woman, who said later she is from Australia, often is a top finisher in her age group at local races. She and her fellow runners wear bright yellow running shirts with "Dianetics" in red letters on the front.

They have been stringing up their banner near the finish line at some races. In at least one instance, race officials took the banner down because it implies that Scientologists are one of the race sponsors.

Judge holds up Scientology auction

Court to decide whether church has to pay taxes

By TERESA BURNEY
Times Staff Writer

CLEARWATER — A judge has decided to stop the auction of Church of Scientology property until a court can decide whether the church has to pay the taxes.

The church and the Pinellas County property appraiser have disagreed for years about whether the church, which has its spiritual headquarters in Clearwater, must pay taxes on the property it owns in the county.

The property appraiser's office has sent the church tax bills every year and the church has refused to pay them.

The church has taken the property appraiser to court, saying that it is a religious organization and, therefore, exempt from paying property taxes.

"They have to prove two things to be exempt," said Chief Assistant County Attorney Helen Hobbs, "That they are a religion and that they are non-profit."

In June, the county told the church that if it did not pay its tax bill for 1986, five of its

properties in downtown Clearwater would be auctioned to the highest bidders.

Scientology lawyer Paul B. Johnson of Tampa asked Circuit Judge R. Grable Stoutamire to stop the sale of the property until the church's

"They (Scientology officials) have to prove two things to be exempt. That they are a religion and that they are non-profit."

— Helen Hobbs, chief assistant county attorney

case against the county is decided. Stoutamire heard the request July 5.

"I announced at that hearing that I would sign such an order," Stoutamire said.

Johnson did not return the *Times*' telephone call Thursday.

The county says that the church owes \$3.4-million in property taxes since 1982. The church owns 122 properties in Clearwater worth

\$21.5-million, according to the property appraiser's office.

When property taxes are not paid, the tax collector files liens, or legal claims, against the property. The liens are sold each year at auctions in which investors bid an interest rate they want in return for paying the tax.

Investors make their money when the property owner pays the taxes and interest to the county, and the county in turn pays the investors. If two years pass and the property owner still hasn't paid the taxes, the investors can ask the county to auction off the property.

Court injunctions kept the county from selling tax certificates on Scientology property for several years, but in 1986 those injunctions were lifted.

Two Seattle investors, Walter D. Palmer and John G. Ritchie bought the liens on five pieces of property owned by the Church of Scientology. When the two-year time limit was up they asked the county for their money on May 30.

That's when the county told the church that if it did not pay \$51,058 it owed for 1986 taxes on the five parcels, the land would be auctioned to the highest bidder.

— Staff writer Stephen Koff contributed to this report.