

CAUSE NO. S-12-5645CV-C

PAUL MARRICK AND GREG ARNOLD	§	IN THE DISTRICT COURT
	§	
V.	§	343 RD JUDICIAL DISTRICT
	§	
RELIGIOUS TECHNOLOGY CENTER	§	
CHURCH OF SCIENTOLOGY	§	
INTERNATIONAL, CHURCH OF	§	
SCIENTOLOGY OF TEXAS, AND	§	
DAVID MISCAVIGE	§	SAN PATRICIO COUNTY, TEXAS

PLAINTIFFS' FIRST AMENDED PETITION

TO THE HONORABLE JUDGE OF SAID COURT:

The Plaintiffs, Paul Marrick and Greg Arnold, bring this action against the Defendants, Religious Technology Center, Church of Scientology International, Church of Scientology of Texas, and David Miscavige, and for causes of action show the following:

DISCOVERY CONTROL PLAN

1. Plaintiffs intend to conduct discovery under Level 2 of Texas Rule of Civil Procedure 190.

PARTIES AND SERVICE OF PROCESS

2. Mr. Marrick is a resident of Colorado and Mr. Arnold is a resident of California. Religious Technology Center is a California corporation and does not have a registered agent in Texas for service of process. Accordingly, Religious Technology Center may be served with process and this pleading by serving the Secretary of State of Texas at 1019 Brazos Street, Austin, Texas 78701, as its agent for service. A copy of the same may also be mailed to Religious Technology Center, Sherman Lenske, Agent for

Service of Process, 6400 Canoga Ave., Suite 315, Woodland Hills, CA 91367. Church of Scientology of Texas is a Texas corporation and may be served with process by serving its registered agent of service of process, Catherine A. Norman, 2200 Guadalupe, Austin, TX 78705-5289. Church of Scientology International is a California corporation and does not have a registered agent in Texas for service of process. Accordingly, Church of Scientology International may be served with process and this pleading by serving the Secretary of State of Texas at 1019 Brazos Street, Austin, Texas 78701, as its agent for service. A copy of the same may also be mailed to Church of Scientology International, Jeanne M. Reynolds, Agent for Service of Process, 3055 Wilshire Blvd., Suite 900, Los Angeles, CA 90010. David Miscavige is a resident of California and may be served with process and this pleading by serving the Secretary of State of Texas at 1019 Brazos Street, Austin, Texas 78701, as his agent for service. A copy of the same may also be mailed to Mr. Miscavige at 1710 Ivar Avenue, Suite 1100, Los Angeles, CA 90028.

SUBJECT MATTER JURISDICTION

3. This action is a suit for declaratory relief and damages in an amount within the jurisdictional limits of this Court.

PERSONAL JURISDICTION

4. The Defendants are subject to personal jurisdiction in Texas. Texas courts have general jurisdiction over the Defendants because they have a substantial connection with Texas due to their continuing and systematic contacts purposefully directed toward Texas. Texas Courts have specific jurisdiction over the Defendants because they have a substantial connection with Texas due to the fact that this cause of action arises out of or

relates to their contacts with Texas, and their liability arises from activity conducted in or directed toward Texas.

VENUE

5. San Patricio County is a county of proper venue because it is a county in which a substantial part of the events or omissions giving rise to the claim occurred.

FACTS

6. **L.Ron Hubbard – Scientology’s Founder.** Scientology is a belief system founded in the 1950’s by science fiction novelist L. Ron Hubbard, who oversaw its development for several decades. By the time of Mr. Hubbard’s death in 1986, Scientology was being disseminated throughout the world by a complex web of corporate entities (the “Scientology Corporations”). The Scientology Corporations’ revenues and assets had accrued to hundreds of millions of dollars. The Scientology Corporations were managed and staffed by Scientology’s elite religious order, the Sea Organization (commonly referred to as the “Sea Org”). As Commodore of the Sea Org, Mr. Hubbard was in absolute command of the Scientology Corporations. During the last years of Mr. Hubbard’s life, he lived and worked in seclusion, away from the public eye.

7. **Pat Broeker – Hubbard’s Successor.** In 1980, Mr. Hubbard left his public position at Scientology’s helm to continue his research and development of the Scientology belief system. Mr. Hubbard took his two most trusted disciples with him – Pat and Annie Broeker. The Broekers were the only members of Scientology’s management in seclusion with Mr. Hubbard during the last six years of his life. Throughout those years, all communication to and from Mr. Hubbard went through Pat Broeker. Mr. Broeker worked with Mr. Hubbard on his final spiritual research, which he

was to compile following Mr. Hubbard's death. On January 19, 1986, Mr. Hubbard issued his final Order to the Sea Organization. (See Exhibit "A" attached hereto). The purpose of Mr. Hubbard's final Order was to promote Pat and Annie Broeker to a newly created rank, superior to all other Sea Org officers. Then, on January 24, 1986, Mr. Hubbard died, leaving Mr. Broeker as his successor in charge of Scientology, with Annie Broeker as second in command.

8. On January 27, 1986, Mr. Broeker appeared at a formal ceremony before the Scientology faithful to announce Mr. Hubbard's passing. Mr. Broeker communicated Mr. Hubbard's final message to the faithful, he revealed the status of Mr. Hubbard's much-anticipated, unreleased spiritual research and development, and he provided reassurance that Scientology's operations would continue without interruption. In the ensuing year, Mr. Broeker guided Scientology's management as it moved forward in the aftermath of its founder's death. A photo of Mr. Hubbard along with a copy of his final Order promoting Pat and Annie Broeker was framed and distributed to every Scientology staff member.

9. **David Miscavige – The Usurper.** During Mr. Hubbard's final years in seclusion, a young member of Scientology's management was systematically cultivating allies, eliminating or marginalizing enemies, and accruing power in a careful plan to seize control of Scientology once Mr. Hubbard was gone. David Miscavige was as ruthless as he was ambitious. His role was that of a management enforcer, rather than a spiritual leader. Mr. Miscavige had no direct contact with Mr. Hubbard, but he controlled and manipulated the flow of information between Scientology's management and Mr. Hubbard's personal representative, Pat Broeker. Mr. Miscavige could see that Pat

Broeker was Mr. Hubbard's intended successor, and he maneuvered to nullify Mr. Hubbard's plan.

10. **Miscavige Seizes Power.** Mr. Broeker's collegial, studious nature was no match for the unfettered ambition of Mr. Miscavige. Mr. Broeker became aware of Mr. Miscavige's ambitions, but he relied upon his appointment by Mr. Hubbard and upon his possession and unique knowledge of Hubbard's as-yet-unreleased advanced materials to maintain his position as Scientology's leader. These protections evaporated when Mr. Miscavige used Scientology lawyers and gangs of henchmen to wrest power from Mr. Broeker. Mr. Miscavige and his allies cancelled Mr. Hubbard's Order promoting the Broekers by asserting that the Order was a forgery; they created a new, supreme position for Mr. Miscavige as Chairman of the Board of Scientology's Religious Technology Center; they seized Mr. Hubbard's papers; they purged from management anyone they perceived as loyal to Mr. Broeker; they promoted and empowered Mr. Miscavige's allies; and they even successfully pressured Annie Broeker to desert her own husband.

11. The coup was successful, but Mr. Miscavige needed to remove Mr. Broeker from the picture to consolidate his power for the long run. This was accomplished by threatening Mr. Broeker with prosecution for his alleged role in Mr. Hubbard's receipt of large sums of cash from Scientology operations. If Mr. Broeker quietly disappeared, the Scientology Corporations and their legal teams would protect him; if not, he would be blamed and left unprotected. Mr. Broeker knew the battle was lost, and he went quietly into exile, driven from both Annie and the organization to which he had dedicated his life. In Mr. Broeker's absence, Mr. Miscavige assumed complete control of Scientology's vast wealth and its thousands of obedient followers.

12. **Miscavige's Personal Obsession.** The absence of Scientology's true ecclesiastical leader did not, in itself, legitimize Mr. Miscavige's newly seized power. As Mr. Hubbard stressed to the faithful, "If it isn't written, it isn't true." Mr. Miscavige was all too aware that Mr. Hubbard never wrote that Mr. Miscavige was to become his successor as Scientology's leader. Ever conscious of his own illegitimacy, Mr. Miscavige obsessed about the possibility that Mr. Broeker might return to reclaim his rightful position at the head of Scientology. Mr. Miscavige dealt with this personal concern by setting up a security apparatus devoted to Mr. Broeker.

12. From 1989 to the present, Mr. Miscavige personally approved and directed one of the most exhaustive surveillance operations in history. For 25 years, Mr. Miscavige has diverted enormous financial and human resources from the Scientology Corporations to monitor every aspect of Mr. Broeker's life. Even as Mr. Broeker relocated to various locations inside and outside the United States, covert operatives recorded his phone calls, culled through his trash, photographed and videotaped him, communicated with him under false pretenses, and followed him wherever he went. Millions of dollars of Scientologists' funds were spent on Mr. Miscavige's never-ending personal project.

13. **Miscavige's Top-Secret Spies.** For 25 years, former law enforcement officers Greg Arnold and Paul Marrick served faithfully as Mr. Miscavige's select undercover agents. These operatives were different from private investigators retained by the Scientology Corporations. At Mr. Miscavige's direction, their very existence was concealed from all but a small handful of his top aides. In contrast to explicit Scientology policy, Arnold and Marrick were not hired and supervised by Scientology lawyers as part

of Scientology's legal defense efforts. In fact, Arnold and Marrick never worked with Scientology attorneys. As part of Mr. Miscavige's scheme to conceal the operation from other Scientologists, they signed no written contracts with any Scientology Corporation or its lawyers, nor did they receive any assignments in writing. For 20 years, Mr. Miscavige directed cash deposits to their bank account, until recent banking regulations interfered. Then, he re-directed their payments through a Scientology law firm. This change in the flow of money was merely incidental to the investigators' work, and they had no substantive communications or other dealings with any Scientology attorneys.

14. Mr. Arnold and Mr. Marrick were hired and supervised by Mr. Miscavige and his closest aides. Mr. Miscavige, himself, devised the 1988 tryout for Mr. Arnold and Mr. Marrick to test their special competence for the Broeker surveillance. For 25 years, Mr. Miscavige received regular briefings on this particular investigation and he even participated in conference calls with Arnold and Marrick. The Broeker Operation, which secretly has siphoned millions of tax-exempt dollars from Scientology's coffers, always has been a personal concern of Mr. Miscavige.

15. **The Broeker Operation.** With the assistance of other investigators, as needed, Mr. Arnold and Mr. Marrick devoted themselves to Mr. Broeker's surveillance for nearly 25 years. Arnold and Marrick are non-Scientologists. As former dedicated law-enforcement officers, they approached their work with integrity and professionalism. When they began their surveillance of Mr. Broeker, they knew little about Scientology and even less about Pat Broeker. Mr. Broeker was identified to them as an insignificant Scientology member. They were told that he was a drunk and a bad person, and that he had stolen money and important documents from the Scientology Corporations.

16. As the Broeker Operation stretched on for more than two decades, Mr. Arnold and Mr. Marrick came to realize that they had been lied to. Mr. Broeker was neither a drunk nor a bad person. To the contrary, they discovered that he is a kind, studious, admirable gentleman. With the advent of the internet and the accumulation of their Scientology experiences, they realized that they had been watching every move of the former leader of Scientology on behalf of the man who had forced him out.

17. Over 25 years, the Broeker Operation changed the lives of Mr. Arnold and Mr. Marrick. They went underground and had to withdraw from family and friends. They moved from state to state to follow Mr. Broeker. They maintained absolute secrecy and worked extraordinary hours under significant pressure. They were so successful and so reliable that Mr. Miscavige grew to rely on them exclusively for this, his most personal project.

18. In addition to the Broeker Operation, Mr. Arnold and Mr. Marrick also received urgent assignments to perform covert surveillance and investigation of other individuals of concern to Mr. Miscavige, such as Mitch Daniels, a nationally known political figure who became governor of Indiana; Mike Rinder, the former spokesman for Scientology; and Marty Rathbun, Mr. Miscavige's former top aide.

19. **Promises Made.** A relationship of extraordinary trust, confidence, and dependence existed between the Defendants and Mr. Arnold and Mr. Marrick. It quickly dawned on Arnold and Marrick that, with each passing year, the secrecy, exclusivity, and controversial nature of their Scientology work would make it virtually impossible to secure work if they were terminated by the Defendants. They were told that the

Defendants would deny any knowledge of them or their work to anyone outside of the very few Scientology insiders with whom they worked.

20. In view of the unusual circumstances of their undercover work, more than 20 years ago Mr. Arnold and Mr. Marrick began to look for employment opportunities in law enforcement. When the Defendants learned that Mr. Miscavige's chosen, trusted operatives were planning to leave, the Defendants made explicit promises and assurances to the Plaintiffs in order to induce them to continue working for the Defendants. More specifically, the Defendants assured and promised the Plaintiffs that they did not need to worry, because "We take care of our own." The Defendants represented that they were too valuable to lose and that the Defendants would financially support them permanently for as long as they were needed, as well as after their work was finished. They were assured that the Defendants would take much better care of them than they could do if they returned to law enforcement in California. Relying upon these assurances, Mr. Arnold and Mr. Marrick agreed to continue their work for the Defendants.

21. **Promises Broken.** After nearly 25 years of faithful service by Mr. Arnold and Mr. Marrick, the Defendants have stopped paying them for their work and have failed to acknowledge any financial obligation to them. They are in their fifties with families to support, and their employment prospects are limited, at best. Therefore, they have been forced to bring this action to enforce their rights under the law.

CAUSES OF ACTION¹

22. **Quantum Meruit.** The Plaintiffs provided valuable services and materials for the Defendants' use and benefit. The Defendants accepted the services and materials from the Plaintiffs. The Defendants had reasonable notice that the Plaintiffs expected

¹ The Plaintiffs' claims are pled together and, to the extent necessary, in the alternative.

compensation for the services and materials they were providing to the Defendants. The Plaintiffs are entitled to recover the reasonable value of the services and materials they provided.

23. **Promissory Estoppel.** The Defendants made promises of compensation to the Plaintiffs upon which the Plaintiffs reasonably and substantially relied to their detriment. The Plaintiffs' reliance was foreseeable by the Defendants and justice can be avoided only by enforcing the Defendants' promise. The Plaintiffs are entitled to recover damages required to restore them to their former position.

24. **Breach of Fiduciary Duty.** Because of the unique relationship of trust and confidence between the Defendants and the Plaintiffs, as well as the Defendants' dominance and the Plaintiffs' dependence in their lengthy relationship, the Defendants owed the Plaintiffs a fiduciary duty of loyalty, utmost good faith, candor, strict integrity, fair and honest dealing, and full disclosure. The Defendants breached that duty. There is an equitable presumption that the transaction in question was unfair to the Plaintiffs. The Defendants' breach of fiduciary duty resulted in damage to the Plaintiffs and benefit to the Defendants, for which the Plaintiffs hereby sue.

25. **Fraud.** The Defendants made material, false representations to the Plaintiffs that they either knew were false, or that they made recklessly as a positive assertion, and without knowledge of the truth. The Defendants made the representations with the intent that the Plaintiffs act on them. The Plaintiffs did rely on the representations and were caused injury thereby. Alternatively, the Defendants deliberately concealed from or failed to disclose certain facts to the Plaintiffs. The Defendants had a duty to disclose the facts to the Plaintiffs. The facts were material and

the Defendants knew that the Plaintiffs were ignorant of the facts and did not have an equal opportunity to discover them. By their failure to disclose facts, the Defendants intended to induce the Plaintiffs to take action and also to refrain from acting. The Plaintiffs relied on the Defendants' nondisclosure and were injured by acting without knowledge of the undisclosed facts.

26. **Negligent Misrepresentation.** The Defendants made false representations to the Plaintiffs in the course of the Defendants' business. The Defendants did not exercise reasonable care or competence in obtaining or communicating the information. The Plaintiffs justifiably relied on the representation and the Defendants' negligent misrepresentation proximately caused the Plaintiffs' injury for which they hereby sue.

27. **Breach of Contract.** The Defendants' conduct constitutes a breach of contract which caused damage to the Plaintiffs.

28. **Theft of Services.** The Defendants' conduct constitutes theft of services for which the Defendants are liable pursuant to Section 31.04 of the Texas Penal Code and Chapter 134, Tex. Civ. Prac. & Rem. Code.

DECLARATORY JUDGMENT

29. Under Chapter 37, Tex. Civ. Prac. & Rem. Code, the Uniform Declaratory Judgments Act, the Plaintiffs seek a declaration of (a) their statutory employment rights, and (b) their contractual rights regarding past and future compensation.

DAMAGES

30. **Economic Damages.** As a direct result of the Defendants' unlawful conduct, the Plaintiffs have suffered and will continue to suffer recoverable economic damages within the jurisdictional limits of this Court.

31. **Attorneys Fees.** In order to recover the past and future damages to which they are entitled, the Plaintiffs have been forced to incur reasonable and necessary attorneys' fees and costs. Plaintiffs are entitled to attorney's fees under Chapter 37.009, Tex. Civ. Prac. & Rem. Code, the Uniform Declaratory Judgments Act, and under Chapter 38, Tex. Civ. Prac. & Rem. Code for services performed and breach of contract.

32. **Exemplary Damages.** The Defendants' unlawful conduct was of such a degree and character as to make them liable for exemplary damages within the jurisdictional limits of this Court.

VICARIOUS LIABILITY

33. The Defendants' misconduct as described above makes them liable for each other's actions and the actions of their employees and agents under theories of assisting or encouraging, assisting and participating, concert of action, conspiracy, agency, partnership, joint enterprise, and piercing the corporate veil.

AMENDMENT AND JOINDER

34. The Plaintiffs expressly reserve the right to amend their pleadings and to join additional parties, as needed.

REQUEST FOR DISCLOSURE

35. The Plaintiffs request that the Defendants disclose, pursuant to Texas Rule of Civil Procedure 194, the information or material described in Rule 194.2(a)-(l).


PRAYER

WHEREFORE, PREMISES CONSIDERED, the Plaintiffs pray that upon trial hereof, they be awarded judgment against the Defendants for declaratory relief, actual damages, exemplary damages, attorneys' fees, court costs, pre-judgment interest, post-

judgment interest, and such other and further relief to which they may be justly entitled at law or in equity.

Respectfully submitted,

JEFFREY & MITCHELL, P. C.

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**ATTORNEYS FOR PAUL MARRICK
AND GREG ARNOLD**

SEA ORGANIZATION

FLAG ORDER 3879

19 January, 1986

THE SEA ORG & THE FUTURE

I, LRH, Commodore, am hereby assuming the rank of ADMIRAL.

The rank of COMMODORE IS RETIRED FROM ACTIVE SERVICE in the Sea Organization at this time. As we move on up the track the Commodore rank will be reinstated as will be needed.

A new rank of LOYAL OFFICER is created directly above the rank of Captain.

Pat Broeker is hereby promoted to the first LOYAL OFFICER rank.

Annis Broeker is hereby promoted as the second LOYAL OFFICER.

There are several Sea Org Officers they will want to promote.

The SEA ORGANIZATION will always be the Sea Organization, no matter that we may leave the surface of this planet when we're finished and operate on others (hopefully not too many devoid of seas --- joke) and no matter what we will operate, in general, throughout the universe --- solid, liquid, gaseous, and yes, --- there are other states of matter, which are ours for the taking because nobody else seems to know about them.

I'll be scouting the way and doing the first port survey missions. I expect your continuing backup. You've got a little under a billion left on your current hitch, and it is hoped you will sign up again --- veterans are valuable!

So, there it is. You know what to do. You know how to do it. Hold the form of the S.O. You've got the watch!

I will be in comm.

We will meet again later.

L. RON HUBBARD
ADMIRAL

International **NEWS** Scientology