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March 2, 1992

BY TELEFAX AND U.S. MAIL

RECEIVED

MAR 5 1992

HUB LAW OFFICES

Ford Greene
Hub Law Offices
711 Sir Francis Drake Boulevard
San Anselmo, California 94960-1949

Re: Church of Scientology International v. Armstrong

Dear Mr. Greene:

I have received your letters of February 19 and 24 concerning the above-entitled matter, which purport simultaneously to acknowledge the validity and binding nature of the settlement agreement at issue in this case, and to disregard its provisions in the service of your client, Mr. Armstrong. Your letter of February 24, with its boast of "research" and mailings to others who peacefully settled their actions with CSI long ago, demonstrates dramatically the need for the requested preliminary injunction to issue forthwith.

In 1986, your client, represented by counsel, entered into a detailed, written and explicit settlement agreement. He initialed each page of the agreement, and signed the final page, as did his lawyer. If your comments are to be taken as true that Mr. Armstrong, at the time that he signed the agreement with CSI, in fact believed that the agreement was "not worth the paper that [it was] printed on," then he obviously and in fact perpetrated a serious fraud on CSI in an attempt to induce CSI to pay him money in exchange for a settlement which he had no intention of honoring. You can rest assured that this fraud will be properly dealt with by CSI and the courts, along with any additional violations of the terms of the settlement agreement either by Mr. Armstrong or by you as his agent.

If it is your claim that Mr. Flynn fraudulently induced your client into both signing a settlement agreement under false pretenses and defrauding CSI into paying him settlement funds, then that is a claim which Mr. Armstrong must make, if at all, against Mr. Flynn. Such an allegation does not negate Mr. Armstrong's contractual responsibilities vis a vis CSI, nor does it excuse Mr. Armstrong's breaches, particularly given the

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specific nature of the representations made by Mr. Armstrong on videotape at the time that he signed the contract.

I would also note in response to your letters that CSI does indeed rely on Wakefield v. Church of Scientology for the reported precedent which it sets. I must admit, however, that I find your interest in diverting the court's attention to the facts of that case puzzling indeed. As Ms. Wakefield's former counsel, you no doubt recall that, after the first day of the in camera proceedings, you appeared in court without your client, and announced that she had checked into a hospital because she was feeling suicidal. Your request for adjournment at that time was naturally granted. Later, however, your client appeared before the court and sought to have you removed as her counsel, claiming, in a sworn affidavit, that you had failed to prepare any witnesses to appear at the hearings on Ms. Wakefield's behalf; attempted to incarcerate her in a mental hospital against her will; engaged her in long, personal phone calls very late at night or early in the morning; attempted to have a sexual relationship with her; and generally acted "without competence" in your handling of her case. I understand that when you were informed of the affidavit and its contents, you asked leave to withdraw from the case, and leave was promptly granted by the court. If you feel that these facts are somehow relevant to Mr. Armstrong's defense, you are welcome to raise them with the court.

Finally, it is apparent from your letters that Mr. Armstrong has acknowledged that he signed the agreement, considers it binding, and has willfully breached its terms. In light of this, we request that Mr. Armstrong agree to the entry of the preliminary injunction as requested for the pendency of this matter. Please inform me no later than March 3, 1992, whether Mr. Armstrong will stipulate to the entry of the preliminary injunction.

Very truly yours,

BOWLES & MOXON



Laurie J. Bartilson

LJB:mfh
cc: Andrew Wilson