

# Articles & Bylaws of RTC

## Restated Articles of RTC

Corporation organized under CA Nonprofit Religious Corporation law, which is found at *CA Corporations Code* §§ 9110, et seq.

Corporate purposes are spelled out, basically to maintain and preserve the purity and integrity of the religion of Scientology, but quite general as corporate articles routinely are. The best statement of LRH's intention for the role of RTC is in paragraph 4 of the Assignment of Marks (and its twin, of Advanced Materials), which sets forth the standard for CST's authority to purchase the rights for \$100 each; namely:

**to preserve and maintain the ethical use of the Marks (& Advanced Materials, see related Assignment) in accordance with the Scientology Scriptures, or that RTC's ownership in any way places the Marks in danger of appropriation by any entity that is outside or hostile to the religion of Scientology, or that RTC has permitted and is permitting use of the Marks in any way that is contrary to the Scientology Scriptures and seriously damages the religion of Scientology or repute of LRH.**

The corporation shall not carry on any activities that jeopardize tax exempt status.

The initial governing body was comprised of 7 named trustees who were given the powers of directors and had to unanimously approve amendments, but the restated articles give that requirement and authority to the "directors." The revised bylaws cover both a board of 3 trustees and a board of 3 general directors. Not clear at all whether this was properly done.

Lyman Spurlock was the initial agent for service of process.

RTC was incorporated January 1, 1982. The Restated Articles are dated Sep 13, 1982.

## Original Bylaws of RTC

**NOT AVAILABLE.** Since RTC was incorporated January 1, 1982, presumably the original bylaws were also created on or shortly after that date.

## Revised Bylaws of RTC

Adopted April 28, 1983.

1. The authorized number of Trustees shall be 3. Article VI, Section 2.
2. The "sole" purpose of the Trustees is to elect general directors. Article VI, Section 1.

(Note: The Articles give the power of directors to the Trustees and did not create a board of general directors. Okay to amend, of course, but questionable whether LRH was involved due to the dramatic drop in the quality of drafting and contradictory powers.)

3. Election of trustees shall occur at next board of general directors. Article VI, Section 4. (Note: The Articles name the original trustees, so no need to elect, especially if they were, as they are now, appointed for life. Obviously a sloppy cut and paste job of CSI bylaws.)

4. A board of 3 general directors is created. Article VII, Section 1.

Additional Notes:

Article X, Section 6:

**Discretion of Directors. Pursuant to the Scriptures, particularly the ethics and justice system of Scientology, membership in a Religious Order, ordination, or affiliation may be denied or revoked for cause deemed to be sufficient by the Directors in their sole discretion.**

This is one of many provisions that is obviously cut and pasted from CSI bylaws, and is clearly out of place in RTC bylaws for the reason that it contradicts the overall corporate scheme. RTC is an owner/licensor (subject to a purchase option belonging to CST) of the Scientology trademarks and Advanced Materials and does not have any ecclesiastical control over Church of Scientology International, the “Mother Church.” (See, e.g., Article Three of CSI’s Restated Articles: CSI’s purpose is “to act as the Mother Church, which is the ultimate ecclesiastical authority of Scientology.”) RTC doesn’t provide services or dispense justice; it merely protects the marks and materials under license as set forth herein above. Thus, this provision must be interpreted to only apply to members of RTC. The term Religious Orders is also vague and ambiguous, especially as it relates to RTC. The term is not defined and is vague.

A reader who is familiar with Scientology justice and ethics might also raise another internal contradiction even if this provision is applied to CSI, namely: that a discretionary power to deny or revoke membership itself violates the ethics and justice system of Scientology which requires action by a Committee of Evidence made up by one’s peers, not board members, rendering the bylaw internally contradictory. But the provision should be viewed in the light of decisions under the First Amendment that forbid the courts from intervening into ecclesiastical matters, particularly into the status of members when the canonical law for dismissing members has been followed. If the board can finalize an expulsion order, then no the courts cannot assume jurisdiction over the issue. This is a failsafe mechanism, in other words, against wrongful expulsion. The Scriptures still have to be followed, but once the board upholds an expulsion, then the courts have to butt out. This rule of law would only have effect for CSI’s board, not for rulings by RTC’s board, since CSI, not RTC, is responsible for ecclesiastical matters and Keeping Scientology Working.

Again, this is a cut and paste job of CSI's bylaws, and this must be borne in mind while interpreting RTC's governing documents (articles, bylaws, trust agreement, Assignments of Marks and Advanced Materials). They should all be read together for the proper context.

RTC's role is well-defined by LRH: it holds the licenses of marks (copyrights, too) and Advanced Materials and is responsible for safeguarding them as well as ensuring that CSI remains true to the Scriptures in its use of the licenses. CST has the same role over RTC, and neither have responsibility over ecclesiastical matters except in the context of ensuring that CSI is ethically using the Marks (& Advanced Materials)... (see red letter quote above.)

Purely and simply, RTC cannot interfere in the ecclesiastical management of CSI. Stated obversely, if RTC can meddle in CSI's ecclesiastical affairs, so can CST meddle in the ecclesiastical affairs of both RTC and CSI. The ultimate safeguard, no matter how one slices and dices it, is CST, not RTC.

LRH made no provision for a Chairman of the Board of RTC (or of CST and CSI, for that matter), and no authority is given in the Articles or Bylaws. There being no special position created then the ordinary meaning of the term applies; and that is, a chairman of a board conducts board meetings. His vote has no more significance or power than that of any other board member. In any event, if all 3 corporations had a chairman of the board, the CST COB would have a higher, more powerful position since he or she would be the chairman of the board of the highest echelon of corporations.

CST directors and trustees could tomorrow purchase the rights of the Marks & Advanced Materials from both RTC and CSI and license an entirely different entity. RTC can only threaten to or withdraw the rights from CSI (but not sub-license another entity), but only if CST agreed with the action. Now that is power.

The CST trustees and general directors, however, are not aware of their power, based on our investigation, and, indeed, Miscavige holds their signed, undated resignations, so they are not free to exercise their power even if they understood it.