

Question 2

Please provide the articles of incorporation and bylaws as adopted and in effect on December 31, 1989, and on the date of this request, for Bridge Publications, Inc. Please provide the same for New Era Publications International ApS, as well as the "special Rules of Procedure that effectively dedicate its activities to the furtherance of section 501(c)(3) purposes."

Attached are the following organizational documents for Bridge Publications, Inc. ("BPI") and New Era Publications International ApS ("NEP"):

1. BPI's Articles of Incorporation, filed February 2, 1981. Exhibit II-2-A.
2. BPI's Bylaws, as adopted March 19, 1981. Exhibit II-2-B.
3. Resolutions adopted by BPI's sole shareholder on December 27, 1988 to add a new Article XII to BPI's Bylaws. Exhibit II-2-C.
4. NEP's Articles of Association, adopted October 23, 1989, including copies of the Danish original and an English translation. Exhibit II-2-D.
5. An English translation of NEP's internal Rules of Procedure, adopted November 21, 1988. Exhibit II-2-E.

In order to formally document their dedication to religious purposes encompassed by section 501(c)(3), both companies in 1988 amended their organizational documents to adopt provisions comporting with the organizational test of section 501(c)(3) and, as to BPI, the governing instrument requirements of section 508(a). Thus, by resolution dated December 27, 1988, BPI's sole shareholder adopted a new Article XII, to add these provisions to BPI's Bylaws. On November 21, 1988 NEP also adopted similar provisions to its internal Rules of Procedure, the Danish equivalent of Bylaws. See Sections 6, 7 and 8. However, since NEP's Danish counsel believed that references to United States statutory provisions would be difficult or impossible to enforce in Denmark, NEP's provisions define rather than refer to section 501(c)(3).

The amendments to the corporate papers merely made a record of what has always been the case: that Bridge and New Era operate for exclusively religious purposes. Neither corporation has ever made any distribution of dividends or net earnings or paid any

unreasonable compensation. In addition, both corporations are owned by a common parent, the International Publications Trust, which is organized exclusively for Scientology religious purposes. The executives and the majority of the staff of both corporations have always been members of the Sea Organization, and have dedicated their lives to achieving the aims of the Scientology religion.

New Era was formed as a for-profit corporation because Danish law prohibits nonprofit corporations from engaging in the publishing business. Bridge was formed as a for-profit corporation because Church staff believed it would facilitate Bridge's efforts in dealing with the publishing trade.

In order to understand Bridge's & New Era's operations and relationship to the Church, it must be understood that the widespread publication and distribution of Mr. Hubbard's works are an integral part of the religious practice of Scientology and achieving its aims of a civilization without insanity, crime and war.

Mr. Hubbard taught that wisdom is only valuable to the degree that it is shared and used for the betterment of all. Therefore, his basic books contain the fundamentals of the religious technology presented in a way that they can be grasped and used by the man in the street to improve conditions in his life. A certain percentage of readers will recognize that

Mr. Hubbard's writings contain a higher truth and indeed contain the answers to man's existence and his relationship to the universe. Thus, books are the main vehicle for dissemination of the religion and are the most prevalent means of attracting new members. The success of books as a means of dissemination can be seen in the steady expansion in the number of Scientologists as well as the increasing number of churches and missions, which can be directly traced to distribution of books.

In addition, the more advanced works contain the necessary Scriptural material needed for the training of Scientology ministers and for all Scientologists to have the full understanding of the tenets of the religion necessary to achieve spiritual freedom.

The publications organizations also produce and distribute non-scriptural works of Mr. Hubbard's fiction, such as his science fiction, for the purpose of making his name better known so that the public will then read his works on Scientology and Dianetics.

Because Bridge and New Era serve religious objectives, both organizations have gone far beyond the normal standards of the publishing industry to get Mr. Hubbard's works published and into the hands of both the general public and parishioners of the Church. The motivation behind their actions is that the Scriptures of the religion will be used to benefit mankind rather than the concerns for profitability of a commercial publisher. The Scriptures comprise over twenty million words and two thousand public taped lectures (which will ultimately be reproduced in book form) which makes the magnitude of the task evident.

By way of example, Bridge within the last year and a half undertook the expense of publishing the revised Technical and Policy volumes containing major portions of the Scriptures. The cost of this was over \$6,000,000. The cost was increased by producing the volumes in a very high quality encyclopedic format so that Scientologists can use these materials for reference for many years without the volumes wearing out. Although many Scientologists have purchased these volumes, this project has not yet paid for itself and is not likely to do so for several more years. Ultimately, the net revenues this project does produce will go into other projects to make the Scriptures more readily available.

New Era will ultimately publish translations of Mr. Hubbard's works in all of the languages of the world and get them distributed. There are 11 primary languages spoken by the majority of the world's Scientologists into which all materials necessary to provide religious services described on the Classification and Gradation Chart are to be translated, including the Technical and Policy volumes described above. In addition, all of the basic materials are being translated into the 25 most commonly spoken languages. The anticipated cost of this project has not been fully determined but exceeds the immediate expected return and thus must be financed by proceeds from New Era's other titles.

Thus, Bridge and New Era operate on the religious consideration of getting Mr. Hubbard's works broadly disseminated in the society and not the profit motivation of a commercial publisher.