

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

-----X	:	
	:	
LANDMARK EDUCATION CORPORATION,	:	Index No. 114814/93
	:	
Plaintiff,	:	
	:	
- against -	:	AMENDED
	:	<u>VERIFIED COMPLAINT</u>
THE CONDE NAST PUBLICATIONS, INC.,	:	
d/b/a SELF MAGAZINE, ADVANCE	:	
MAGAZINE PUBLISHERS, INC. d/b/a	:	
SELF MAGAZINE and DIRK MATHISON,	:	
	:	
Defendants.	:	
-----X	:	

Plaintiff, Landmark Education Corporation, by its attorneys, Morrison Cohen Singer & Weinstein, for its complaint against the defendants, respectfully show the Court and allege as follows:

I

NATURE OF THE ACTION

1. This is an action for damages caused by defendants' publication of false and defamatory statements of and concerning plaintiff. Jurisdiction and venue are based upon the residence of defendants The Conde Nast Publications, Inc. and Advance Magazine Publishers, Inc. doing business in the State, County and City of New York, upon the commission of tortious acts in the State, County and City of New York, which caused injury here, and upon the publication of the challenged material by defendants in the State, County and City of New York.

II

PARTIES

2. Plaintiff Landmark Education Corporation

("Landmark") is an employee-owned California corporation engaged in the business of making educational programs available to the general public, as well as communities, organizations and institutions, through its more than 40 offices worldwide. Landmark is authorized to do business in New York and maintains offices at 425 Fifth Avenue, New York, New York 10021.

3. Defendant The Conde Nast Publications, Inc.

("Conde Nast") is, upon information and belief, a New York corporation engaged in the publishing business and authorized to do business in New York. Upon advice and information, Conde Nast is a division of Advance Magazine Publishers, Inc. Upon information and belief, Conde Nast publishes and distributes a monthly magazine known as Self Magazine, a publication doing business in New York County which has offices located at 350 Madison Avenue, New York, New York 10017.

4. Defendant Advance Magazine Publishers, Inc.

("Advance") is, upon information and belief, a New York corporation engaged in the publishing business and authorized to do business in New York. Upon information and belief, Advance publishes and distributes a monthly magazine known as Self Magazine, a publication doing business in New York County which has offices located at 350 Madison Avenue, New York, New York 10017.

5. Defendant Dirk Mathison ("Mathison") is, upon information and belief, a resident of the State of California. Mathison is a professional journalist who, upon information and belief, researched and authored an article entitled "White Collar Cults -- They Want Your Mind" that was published in the February 1993 issue of Self magazine ("the Article").

III

BACKGROUND

6. Landmark offers a four-part curriculum with the basic program being The Landmark Forum ("The Forum"). Landmark also offers advanced programs on various subjects including communication, time management and productivity.

7. The Forum is a program that takes place on three days and one evening in which participants are asked to examine the fundamental assumptions that shape their actions and may limit their freedom and effectiveness. Participants are given an opportunity to discover new possibilities for actions which may enhance their productivity, improve their relationships and achieve a greater degree of satisfaction.

8. Since its introduction in 1985, more than 250,000 people have participated in The Forum.

9. Although The Forum is based in part on technology developed by Werner Erhard, Mr. Erhard has never had an ownership interest in Landmark, and has never had any involvement in the management of Landmark.

10. Participants in The Forum are neither required nor requested to follow, embrace, or worship any theology, dogma or doctrine. In addition, participants in The Forum and/or any of the other programs of Landmark are not taught any practices to repeat or rituals to follow.

11. Participants in The Forum are neither required nor requested to donate all or a portion of their assets to Landmark or any other entity, group or individual. Participants in The Forum pay \$290 as tuition to Landmark which covers the cost of the three day and one evening session.

12. Participants in The Forum are not obligated to attempt to "recruit" other individuals to participate in programs offered by Landmark.

13. Participants in The Forum are not required or requested to cut themselves off, or isolate themselves from their family and friends. Moreover, they do not live in a communal setting -- people who participate in The Forum return to their homes in the same manner as if they took adult education courses at an urban college.

CAUSE OF ACTION

14. On or about January 25, 1993, defendants caused to be published and published in the February 1993 issue of Self Magazine an article entitled "White Collar Cults -- They Want Your Mind...." (the "Article").

15. The Table of Contents of the February 1993 issue of Self Magazine describes the Article as follows:

White-collar cults: they want your mind

A harrowing account of the human-potential movement at its most manipulative. Plus-Caution: cults at work. And: America's most-wanted cults. By Dirk Mathison.

A copy of the Table of Contents is annexed hereto as Exhibit "A" and made a part of this Complaint.

16. The "Contributors" page of the February 1993 issue of Self Magazine contains a picture of the Article's author, Dick Mathison, and includes the following description of Mr. Mathison:

Dirk Mathison ("White-Collar Cults: They Want Your Mind," page 120) knows zealotry from way back. His father wrote the classic Faiths, Cults & Sects of America, about the dangers of brainwashing among religious groups. Undoubtedly, Mathison's early exposure to this material inured him to the cults he investigated. "They're very powerful," he says, "but understanding real life takes a lifetime, not a weekend."

A copy of the "Contributors" page of the February 1993 issue of Self Magazine is annexed hereto as Exhibit "B" and made a part of this Complaint.

17. The Article, which appears on page 120 of the February 1993 issue of Self Magazine, contains on its first full page the following text set off in large, bold type:

**AND YOUR MONEY, AND SIX OF YOUR
FRIENDS. A LOOK AT THE NEW, WHITE COLLAR
WORLD OF CULTS -- WHERE PERSONAL GROWTH'
MEANS BRAINWASHING.**

The Article then proceeds to makes the following false and defamatory statements concerning plaintiff:

What makes a cult? ... "[It is] a group that, one, uses coercive pressure and deception to get people to join in and, two, uses mind manipulation techniques without the consent or knowledge of the participants."

Slicker than hard-core religious sects..., the new cults keep a sophisticated, modis-wise profile....

... It's a pyramid marketing scheme that dates back to the pyramids themselves....

[They] rely upon deception and aggressive marketing to keep warm bodies running through the training pipeline.
...

[After joining] members have cut their ties to the outside world, abdicated their decision-making abilities and surrendered their psyches as well as, in many cases, any assets they might have. The cult is all the convert has left, which is why so many stay.

* * * * *

America's Most Wanted Cults

What makes a cult? ... The leading cult-awareness organizations cite the groups below -- which range from sleek and sophisticated "transformational workshops" to fundamentalist sects -- as having been the subject of complaints for activities that include: trance-induction; manipulative recruitment; thought reform or mind control; harassment of critics and their families and former followers; psychological and emotional damage; and fraud and deceit in fund raising. ...

Personal
growth/transformational/therapy.
Corporate in style, these groups may own
clusters of legitimate businesses,
publish books and retain top public
relations counsel:

- ° ■The Forum (also est and the Hunger
Project): Founded by Werner Erhard.
Personal growth, success and sometimes
the salvation of the world. Celebrity
member: John Denver.

A copy of the Article is annexed hereto as Exhibit "C" and made a
part of this Complaint.

18. Among the specific false and defamatory statements
made by defendants of and concerning plaintiff in the Article
were the following:

- a. Plaintiff "uses coercive pressure and
deception to get people to join in";
- b. Plaintiff "uses mind-manipulation techniques
without the consent or knowledge of the participants";
- c. Plaintiff engages in "a pyramid marketing
scheme";
- d. Plaintiff "Rel[ies] upon deception and
aggressive marketing to keep warm bodies running through the
training pipe line";
- e. "Members have cut their ties to the outside
world, abdicated their decision-making abilities and surrendered
their psyches as well as, in many cases, any assets they may
have";
- f. Individuals who participate in The Forum are
members of "a cult";

g. Plaintiff has "been the subject of complaints for activities that include: trance-induction; manipulative recruitment; thought reform or mind control; harassment of critics and their families and former followers; psychological and emotional damage; and fraud and deceit in fund raising".

19. In the Article, as well as the Table of Contents and "Contributors" pages of the February 1993 issue of Self Magazine, by the use of the particular words set forth in paragraphs 15, 16, 17 and 18 above, defendants conveyed the following false and defamatory meanings of and concerning plaintiff:

a. Landmark uses coercive pressure and deception to get people to enroll in The Forum.

b. Landmark uses mind-manipulation techniques to get people to enroll in The Forum.

c. Landmark uses mind-manipulation techniques on participants in The Forum.

d. Landmark is engaged in a pyramid marketing scheme.

e. Landmark induces trances in participants in The Forum.

f. Landmark engages in manipulative recruitment.

g. Landmark engages in thought reform or mind control.

h. Landmark harasses critics of The Forum and their families as well as former participants in The Forum.

i. Participation in The Forum causes psychological and emotional damage.

j. Landmark engages in fraud and deceit in fund raising.

k. Landmark brainwashes participants in The Forum.

l. Individuals who participate in The Forum are members of a cult.

20. The false and defamatory meanings and implications of and concerning plaintiff Landmark Education Corporation alleged in paragraphs 15, 16, 17 and 18 were also conveyed by the combination of individual statements contained in the Article, including the juxtaposition of words and statements to each other, which, in the aggregate, produced the false and defamatory inferences from which said meanings and implications were conveyed.

21. Defendants knew and intended that the particular statements set forth in paragraphs 15, 16, 17 and 18 and in the Article as a whole (Exhibit "C") would convey each and every false and defamatory meaning and implication set forth in paragraphs 14, 15, 16 and 17 of and concerning plaintiff and that such false and defamatory meanings were conveyed by the particular statements set forth in paragraphs 15, 16, 17 and 18 and by the inferences drawn from the Article's statements in the aggregate.

22. Defendants' publication of the Article was made with actual malice in that the defendants knew that the aforesaid defamatory statements and meanings were false and published them or caused them to be published in reckless disregard of their truth or falsity.

23. The aforesaid defamatory statements and meanings were published or caused to be published by defendants acting in a grossly irresponsible manner.

24. The aforesaid defamatory statements and meanings were published or caused to be published by defendants acting in a negligent manner.

25. The publication of the Article as described herein was accomplished by means which radically departed from responsible journalistic standards and practices.

26. Plaintiff sent a written demand to defendants for a retraction of the false and defamatory statements published in the Article. This demand was denied.

27. By reason of the aforesaid acts of defendants, plaintiff has been held up to public disgrace, scorned and ridiculed, has been seriously injured in its business and will be further injured in its business in the future, has suffered grave and permanent impairment of its reputation and standing in the adult education community, and with the general public, and has otherwise been injured in its good name, fame and reputation.

28. As a direct result of the aforesaid acts of defendants, in the eight week period immediately following the publi-

cation of the Article, plaintiff has been economically damaged in the following ways:

- a. the total overall number of people who enrolled in The Forum declined;
- b. people considered enrolling in The Forum and advised Landmark that they were not enrolling;
- c. people who had enrolled in The Forum and other Landmark programs that had not yet commenced, cancelled their registration and demanded the return of their tuition deposits;
- d. people who had completed the Forum declined to enroll in Landmark's advanced programs;
- e. people who completed The Forum and were actively participating in other Landmark programs withdrew from those programs prior to their completion; and
- f. at least one corporate client cancelled a Landmark program.

WHEREFORE, plaintiff Landmark Education Corporation demands judgment against defendants as follows:

- (1) In an amount no less than \$5,000,000 in actual damages together with interest thereon;
- (2) In an amount no less than \$5,000,000 in punitive damages;
- (3) For the costs and disbursements in this action including reasonable allowances for counsel fees and other lawful expenses; and

(4) For such other and further relief as the Court may find just and proper under the circumstances.

Dated: New York, New York
July 22, 1993

Yours, etc.

Morrison Cohen Singer & Weinstein
Attorneys for Plaintiff
750 Lexington Avenue
New York, New York 10022
(212) 735-8600

VERIFICATION

STATE OF CALIFORNIA)
)ss.:
COUNTY OF SAN FRANCISCO)

Arthur Schreiber, being duly sworn, deposes and says:

1. I am General Counsel to Landmark Education Corporation the plaintiff herein.

2. I have read the foregoing VERIFIED COMPLAINT and know the contents thereof to be true except as those matters which are stated upon information and belief, and as to those matters, to the best of my information and belief, I believe they are true.

Arthur Schreiber

Sworn to before me this
1st day of July, 1993

Notary Public

PRESENT: Hon. WILLIAM J. DAVIS
Justice.

Landmark Education Corp.
— against —
Corde Nast Publications, Inc.

INDEX NUMBER 119814-23
MOTION DATE MAR 15 1994
MOTION SEQ. NO. 001
TRIAL CAL. NO. 114

The following papers numbered 1 to _____ read on this motion to _____

Notice of Motion/Order to Show Cause - Affidavits - Exhibits _____
Answering Affidavits - Exhibits _____
Replying Affidavits _____

PAPERS NUMBERED

Upon the foregoing papers it is ordered that this motion _____

**Motion is decided in accordance with
accompanying memorandum decision.**

Dated JUN 29 1994

WILLIAM J. DAVIS J.S.C.

SUPREME COURT : NEW YORK COUNTY
IAS : PART 3

----- X
LANDMARK EDUCATION CORPORATION,

Plaintiff,

-against-

Index No.
114814/93

THE CONDE NAST PUBLICATION, INC.
d/b/a SELF MAGAZINE, ADVANCE MAGAZINE
PUBLISHERS, INC. d/b/a SELF MAGAZINE,
and DIRK MATHISON,

Defendant.

----- X
WILLIAM J. DAVIS, J:

Defendants move for an order pursuant to CPLR 3212 granting summary judgment in their favor and dismissing the complaint in its entirety.

Plaintiff Landmark Education Corporation ("Landmark") is an employee owned, for profit corporation engaged in the business of making education programs available to the general public and corporations, on subjects including communication, time management and productivity. Its basic program is "The Forum" a three day one evening seminar which requires payment of \$290.00 for the four sessions. Participants in the Forum may and are urged to take additional seminars given by Landmark. Participants are also encouraged to recruit new participants for the program. This program is reported to have evolved from EST and was originally given by Werner Erhard and Associates whose employees bought the corporation and renamed it Landmark in 1991. Plaintiff asserts it was defamed when "The Forum" was listed as a cult

in an article appearing in the February 1993 edition of Self magazine.

Defendants are Dirk Mathison, a freelance writer and author of the alleged defamatory article, Advance Magazine Publications, Inc., d/b/a Self Magazine and the Conde Nast Publications, Inc., d/b/a Self magazine. Defendant Conde Nast Publication, Inc., is a division of Advance Magazine Publications, Inc.

The article was titled "White Collar Cults: they want your mind". On the first full page in bold eye-catching text the caption continues "and your money and six of your friends. A look at the new, white collar world of cults where 'personal growth' means brainwashing." Mathison uses the definition of cult as given by the director of the International Cult Education Program who states "we define it as a group that, one, uses coercive pressure and deception to get people to join in and, two, uses mind manipulation techniques without the consent or knowledge of the participants".

Defendant Mathison as a stylistic tool begins the article by describing the thoughts and actions of a participant in the initial sessions of an unidentified, "white collar cults". He continues by providing a definition of cult, identification of the alleged cults, their founders and leaders interspersed with additional first hand experience of

the participant as she apparently goes through a weekend seminar seemingly quite similar to "the Forum".

The article refers to the "The Forum" only in one paragraph as follows:

In 1991 after Erhard was publicly charged with sexual and mental abuse by his daughter on 60 Minutes, he filed suit against CBS. He has moved to Cost Rica, but the Forum (a toned down reincarnation of EST) continues to draw thousands of followers.

The article further advised that Erhard founded "EST, the mass movement that talked about 'getting it' and most famously, wouldn't let enrolles go to the bathroom for hours". A sidebar to the article entitled "America's most-wanted cults" specifically identifies the Forum in a list of nine alleged cults. The introduction to the sidebar identifies the sources for the cult list as the American Family Foundation, the Commission of Cults and Missionaries and the Cult Awareness Network who are referred to as leading cult awareness organizations.

Plaintiff in its complaint alleges that in the article it is defamed in the inclusion of its program as a cult and by the combination of individual statements and juxtaposition of words and statements as to cults. The article plaintiff claims states Landmark is among "American most wanted cults", and falsely alleges, inter alia, that Landmark (a) is a "cult" which (b) uses "brainwashing" and

other "mind control techniques" (c) practices "manipulative recruitment" (d) causes "psychological and emotional damage" to participants, (e) engages in "fraud and deceit in fund-raising" (f) harasses its critics and their families as well as former followers, and (g) cuts participants off from family and friends.

Defendants deny the allegations in their answer and assert herein that summary judgment is warranted in their favor because as a matter of law each of the statements complained of is (1) substantially true, (2) non-actionable opinion, and/or (3) not "of and concerning" plaintiff.

"To obtain summary judgment it is necessary that the movant establish his cause of action or defense 'sufficiently to warrant the court as a matter of law in directing judgment' in his favor (CPLR 3212 subd [b]) and he must do so by tender or evidentiary proof in admissible form." Friends of Animals v. Associated Fur Mfrs., 46 NY2d 1065, 1067. To defeat the motion defendant must "show facts sufficient to require a trial of any issue of fact (CPLR § 3212 subd [b])." Id

Any writing which "tends to expose a person to hatred . . . or to induce an evil or unsavory opinion of him . . . [or] which tends to disparage a person in the way of his office, profession or trade "is libelous per se" (New Testament Missionary Fellowship v. E.P. Dutton & Co., Inc., 112 AD2d 55, 57 citing Tracy v. Newsday Inc., 5 NY2d 134, 135-136).

The interspersed facts and opinions throughout the article herein concerning cults "tars all the groups covered by the [article] with the same brush with language that appears to be libelous per se as it addresses the office, profession or trade of plaintiff". (Id) Thus, the Court finds the article is "of and concerning" plaintiff.

Determining whether a defamatory statement may serve as the predicate for an action in damages depends on balancing the First Amendment protection for media defendants and protection for individual reputation. Immuno AG v. Moor-Jankowski (77 NY2d 235). In Immuno AG the New York State Court of Appeals in applying rules set forth by the U.S. Supreme Court in Milkovich v. Lorain Journal Co. 497 US 1 determined that "except for special situations of loose, figurative, hyperbolic language, statements that contain or imply assertions of provably false facts will likely be actionable". Immuno AG v. Moor-Jankowski 77 NY2d 235, 245.

A libel plaintiff has the burden of showing the falsity of factual assertions Id. Whether there are factual assertions in the article entails an examination of the challenged statements to determine.

1) Whether the specific language in issue has a precise meaning which is readily understood; (2) whether the statements are capable of being proven true or false; and (3) whether either the full context of the communication in which the statement appears or the broader social context and surrounding circumstances are

such as to "'signal . . . readers
or listeners that what is being
read or heard is likely to be
opinion not fact'"

Gross v. New York Times 82 NY2d 146, 153.

Plaintiff specifically asserts that the qualities attributable to the cults as defined and described by the article are not its characteristics. Defendants annex and point to numerous prior media articles allegedly suggesting "the Forum" is a cult, to justify their conclusion that plaintiff is a cult. Plaintiff on the other hand points to its own manuals and procedures and submits letters of Forum participants and scholars to support its claim it does not practice the "cult like" actions described in the article.

In applying the previously outlined test it cannot be questioned that cult has a precise meaning which is readily understood as it was defined in the article. The statements made are capable of being proven true or false as "the Forum's" procedures can be matched against the defined qualities of cults as described in the article, any consistency will establish the claimed truth or falsity.

Finally, the article appears to be asserting facts given the documentation of the experience of a participant and the numerous quotes and information provided by those who on one hand assert the groups are cults and those who assert they are merely vehicles for "human potential".

As such the article appears to be one of mixed opinions and fact and is actionable. Given the voluminous

supporting documentation by each side concerning whether "the Forum" is a cult this Court believes it is for a jury to determine whether the words directed generally to the "cults" covered in the [article] would lead the reasonable reader to believe, in the context of the whole [article] that the plaintiffs had indulged in these practices. New Testament Fellowship v. E.P. Dutton & Co. supra

The motion for summary judgment is denied.

This constitutes the decision and order of this

Court.

DATED: New York, New York
June 29th 1994



J.S.C.

WILLIAM J. DAVIS

MOTION SEQUENCE #

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

-----X
LANDMARK EDUCATION CORPORATION,
Plaintiff,

- against -

THE CONDE NAST PUBLICATIONS, INC.,
d/b/a SELF MAGAZINE, ADVANCE
MAGAZINE PUBLISHERS, INC. d/b/a
SELF MAGAZINE and DIRK MATHISON,

Defendants.
-----X

AN IAS PART 3
At _____ at the
Supreme Court of the State of New
York, held in and for the county of
New York, at the County Court House,
on the 23rd day of

December 19 93
Presents

Hon. **WILLIAM J. DAVIS**

STIPULATION OF *Justice*
CONFIDENTIALITY
AND PROTECTIVE
ORDER

INDEX NO. 114814/93

Hon. _____

WILLIAM J. DAVIS

IT IS HEREBY stipulated and agreed by and between the parties through their undersigned attorneys as follows:

1. In the course of the above-styled action, the parties will produce certain documents and other materials containing information proprietary to their businesses (the "Confidential Information").

2. "Confidential Information," as used herein refers to all documents and all other information, including but not limited to deposition testimony, which is to be designated by a party as Confidential Information, and any summaries, abstracts, or other materials derived in whole or in part from such information.

3. "Documents," as used herein, means any documentary material of any nature whatsoever, whether in the form of a memorandum, letter, report, handwritten note, transcript, computer printout, tape recording, audio cassette, video cassette, or any other recorded, transcribed or graphic matter.

4. Access to Confidential Information shall be restricted to "Qualified Persons." All Qualified Persons afforded access to Confidential Information shall be advised of and made aware of the terms and conditions of this Stipulation and Order.

5. "Qualified persons" as used herein shall mean:

- (a) the attorneys of record for the parties in this action, partners, counsel, associate attorneys and employees of those law firms who are engaged in assisting counsel in this matter and to whom it is necessary that the material be shown, disclosed or otherwise communicated for the purposes of this action;
- (b) the parties, and those of their directors, officers and employees to whom it is necessary that the confidential information be shown for purposes of prosecuting and/or defending this action;
- (c) the Court;
- (d) outside experts and consultants and their employees who have been consulted or retained by a party or its attorney of record for the purpose of prosecuting and/or defending this action and who fill out and sign a copy of the affidavit annexed as Exhibit A which binds them to the provisions hereof; and

(e) any other person as to whom the parties first agree in writing or on the record to be bound by the terms of this Stipulation and who fill out and sign a copy of the affidavit annexed as Exhibit A which binds them to the provisions hereof.

6. Notwithstanding the language of paragraph 5 above, no third parties (or representatives of third parties) who were consulted by any of the defendants prior to the publication of the article by Dirk Mathison entitled "White Collar Cults -- They Want Your Mind" that appeared in the February 1993 issue of Self Magazine shall be afforded access to any material or information, whether confidential or not, produced by any party to this litigation unless (a) the parties first agree in writing and (b) the third parties sign a copy of the affidavit annexed as Exhibit A which binds them to the provisions hereof.

7. No qualified person shall be permitted to afford access to any material or information, whether confidential or not, produced by any party to this litigation to any of the following individuals or organizations, or representatives of said individuals or organizations, unless (a) the parties first agree in writing, and (b) the individual(s) to be afforded access sign a copy of the affidavit annexed as Exhibit A which binds them to the provisions hereof: Werner Erhard; Lifespring; John Hanley; John-Rogers' MSIA; Roger Hinkins; Scientology; Lyndon LaRouche; The Boston Church of Christ; the Unification Church; the Reverend Sun Myung Moon; College Association for the Research

of Principles ("C.A.R.P."); The Way International; or Nichiren Shoshu of America ("N.S.A.").

8. Confidential Information shall be so designated by stamping documents to be produced with the legend "CONFIDENTIAL."

9. Deposition testimony may be designated as Confidential Information by making a statement to that effect on the record at the deposition, or within 10 days after the transcript is delivered to counsel. Arrangements shall be made with the court reporter transcribing the deposition to separately bind such portions of the transcript as contain Confidential Information, and to label such portions accordingly.

10. Confidential Information to be filed with the Court in this action shall be filed under seal and shall be maintained under seal by the Clerk of the Court.

11. Confidential Information shall be used only for the purpose of litigation in the above-styled action and for no other purpose and shall be disclosed only to those persons listed in paragraph 5 or pursuant to paragraphs 6 or 7.

12. Depositions shall be taken only in the presence of Qualified Persons.

13. The provisions of this Confidentiality Agreement and Protective Order shall not terminate at the conclusion of the above-styled litigation. Within thirty days after the conclusion of the litigation, all originals or copies of documents containing Confidential Information shall be returned to the party that

produced it or destroyed with proper certification of such destruction being provided to the party that produced it, except that counsel of record for each party may retain copies of all deposition and trial transcripts and exhibits.

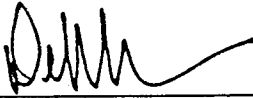
14. At any time a party may advise another party in writing of its good faith belief that specifically identified Confidential Information is not entitled to confidential treatment. If the parties cannot resolve the matter between themselves, the party objecting to the designation of Confidential Information may move for a judicial ruling on the dispute. Until ruled upon, the Confidential Information shall continue to be treated in accordance with the provisions of this Stipulation.

15. Any inadvertent disclosure of information designated as Confidential Information shall not be deemed a waiver in whole or in part of a party's claim of confidentiality, either as to the specific Confidential Information disclosed or as to any other information designated Confidential Information. Counsel for the parties shall cooperate to restore the confidentiality of any inadvertently disclosed Confidential Information. The parties reserve the right to move for sanctions and/or damages against any party or non-party who discloses Confidential

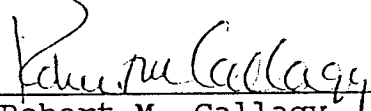
Information regardless of whether or not said disclosure was willful or inadvertent.

Dated: New York, New York
September 1, 1993

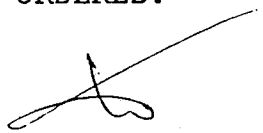
MORRISON COHEN SINGER & WEINSTEIN

BY: 
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Attorneys for Plaintiff
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(212) 735-8600

SATTERLEE STEPHENS BURKE & BURKE

BY: 
Robert M. Callagy
Attorneys for Defendants
230 Park Avenue
New York, New York 10169
(212) 818-9200

SO ORDERED:



J.S.C.

WILLIAM J. DAVIS

SETTLEMENT AGREEMENT

This Settlement Agreement is entered into as of October 1, 1994 between Landmark Education Corporation ("Landmark"), on the one hand, and Advance Magazine Publishers, Inc., d/b/a Conde Nast Publications, Inc. and Self Magazine ("Advance"), and Dirk Mathison ("Mathison"), on the other hand (collectively "Defendants").

RECITALS

WHEREAS, Mathison authored and Advance published an article entitled "White Collar Cults -- They Want Your Mind", with a sidebar entitled "America's Most Wanted Cults", which appeared in the February 1993 issue of Self magazine (the "Article"); and

WHEREAS, Landmark and its program the Forum were a subject of the Article; and

WHEREAS, Landmark filed a action inter alia for defamation in the Supreme Court, New York County, entitled "Landmark Education Corporation v. The Conde Nast Publications, Inc. d/b/a Self Magazine, Advance Magazine Publishers, Inc. d/b/a Self Magazine and Dirk Mathison", Index No. 114814/93 (the "Action"); and

WHEREAS, the parties are desirous of settling the Action in order to avoid the costs, expense and uncertainty of litigation;

NOW, THEREFORE, the parties agree as follows:

1. Defendants will publish or cause to be published in Self Magazine, to appear not later than the February, 1995 issue:

- (a) A letter from Landmark, in the form annexed hereto as Exhibit A; to be immediately followed by
- (b) An Editor's Note, in the form annexed hereto as Exhibit B.

Exhibits A and B shall be published consecutively and in the front of the magazine in the Letters to the Editor section in the same size typeface as used for other Letters to the Editor.

2. Contemporaneously with the execution of this Agreement, Landmark will deliver to its counsel, Morrison Cohen Singer & Weinstein ("MCS&W"), a release in the form annexed hereto as Exhibit C, duly executed by its authorized officer. Promptly after Defendants supply MCS&W with proof of the satisfaction of the terms of paragraph 1 hereof, MCS&W shall deliver the original release to Defendants' counsel, Satterlee Stephens Burke & Burke ("SSBB").

3. Contemporaneously with the execution of this Agreement, Defendants shall deliver to MCS&W, as Landmark's counsel, their releases, in the forms annexed collectively as Exhibit D.

4. Contemporaneously with the execution of this Agreement, MCS&W and SSBB will execute a stipulation of discontinuance of the Action, in the form annexed as Exhibit E, which stipulation shall be held by MCS&W and which stipulation shall be delivered by MCS&W to SSBB for filing promptly after Defendants supply MCS&W with proof of the satisfaction of the terms of paragraph 1 hereto.

5. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which shall constitute the same agreement.

Landmark Education Corporation

By: _____
Its

Advance Magazine Publishers, Inc.

By: Eric C. Anderson
Its vice president

Dirk Mathison

Morrison Cohen Singer & Weinstein

By: _____

Satterlee, Stephens, Burke & Burke

By: Robert M. Satterlee

EXHIBIT A

Letter to the Editor

As the Chairman of the Board of Directors of Landmark Education Corporation which delivers The Landmark Forum, I am writing to take issue with your February, 1993 article entitled "White Collar Cults: They Want Your Mind," which listed The Landmark Forum as a "cult".

Since the Landmark Forum was inaccurately included as one of the programs and organizations that were labeled as "cults," I consider it necessary to state why Landmark and its program The Landmark Forum are not a cult. While there is no definitive definition of what constitutes a cult, there seems to be a general consensus that the major characteristics of cults are that:

A. They require their members to give over to the organization ownership of all or a substantial portion of their assets.

B. The members are separated from their families and friends, often to the point of excluding any contact with such people.

C. There is a theology or dogma or doctrine that members are required to believe in and follow and in some cases worship.

D. The members are restricted in their actions so as to no longer be involved in activities outside the cult.

Landmark and its program The Landmark Forum do not meet any of these characteristics. People who participate in The

Landmark Forum do not give over the ownership of their personal assets to Landmark other than payment of tuition for the program (\$290). In contrast to a cult having its members cut themselves off from their families and friends, people who have participated in The Landmark Forum have reported stronger relationships with their families, friends and work associates as one of the major results of their participation. There certainly is no communal living situation involved -- people participate in The Landmark Forum over three full days and one evening and return to their homes at the end of each part of The Landmark Forum.

The Landmark Forum provides no theology or dogma or doctrine to believe in and follow, there is nothing to worship and there are no practices to repeat. In fact, many participants in The Landmark Forum have reported that their participation enhanced their own religious beliefs and practices. Bishop Otis Charles, former Dean of the Episcopal Divinity School, has stated that "I have found that my participation in these programs has actually enhanced my own grasp of faith tradition and has helped me to be more effective in my religious responsibilities and practice ... and by no definition that I know can The Forum or Landmark's programs be considered to constitute or be part of a cult."

In direct contrast to being encouraged not to be involved in outside activities, people who participate in The Landmark Forum are empowered to participate in their communities, organizations and institutions. Many thousands of participants

in The Landmark Forum have reported that on their own initiative, they have taken on projects that make a difference in their communities, organizations and institutions.

The Landmark Forum does not use coercive pressure and deception to get people to join. There is nothing in The Landmark Forum for people to join. Landmark offers The Landmark Forum and other programs to the public, and people pay tuition for the programs as they would for adult education programs offered at any other educational organization. Landmark has a strict policy that participation in The Landmark Forum and its other programs must be voluntary, and coercion is inconsistent with such policy.

Moreover, Landmark and its program, The Landmark Forum, do not use any of the methods described in the article as used by cults, and do not produce the harmful effects described in the article as produced by cults.

Landmark is an employee-owned company engaged in the business of making available educational programs for the public as well as for communities, organizations and institutions in the United States and in several other countries. It offers a four-part Curriculum for Living, with the basic program being The Landmark Forum, together with several other advanced programs on subjects including communication, time management and productivity. The Landmark Forum is not based in psychology or upon any psychotherapeutic model, and many therapists have participated in The Landmark Forum. The Landmark Forum has

qualified for continuing education credit, which would not have been approved if The Landmark Forum were a cult.

The Landmark Forum deals with the fundamental questions and issues which are key to shaping and determining people's effectiveness, creativity, and satisfaction. As a result of participation in The Landmark Forum, people have the opportunity to create new possibilities for effective action in all aspects of their lives, and to act upon these possibilities.

Art Schreiber
Chairman of The Board of Directors
Landmark Education Corporation
San Francisco, Calif.

EXHIBIT B

EDITOR'S NOTE

The article in question was based on sources Self believed to be reliable, but Self has no first-hand knowledge or evidence that either Landmark or The Landmark Forum is a cult.

EXHIBIT C

RELEASE

This Release is dated as of the 1st day of October, 1994 and is executed by Landmark Education Corporation in favor of Advance Magazine Publishers, Inc., d/b/a Conde Nast Publications, Inc. and Self Magazine, and Dirk Mathison (collectively "Releasees").

In consideration of the Release, made by Releasees in favor of Landmark, in the form annexed as an exhibit to the parties' Settlement Agreement entered into as of October 1, 1994 and other good and valuable consideration, it is hereby agreed as follows:

1. Landmark, on behalf of itself, its employees, its agents, assigns, divisions, units, subsidiaries, officers and directors ("Releasor"), hereby releases and forever discharges Releasees, their employees, agents, representatives, divisions, units, subsidiaries, affiliates, officers and directors, from all actions, claims, demands, causes of action, obligations, damages and liabilities of any nature whatsoever, whether or not now known, suspected or claimed, which it had, has, claims to have, or hereafter can, shall or may have against Releasees which in any way arise out of or relate to the article entitled "White Collar Cults -- They Want Your Mind" and a sidebar entitled "America's Most Wanted Cults" which was published in the February, 1993 issue of Self magazine.

2. Except as set forth in Paragraph 1 above, this Release is not intended to and does not release or discharge any

EXHIBIT D-1

RELEASE

This Release is dated as of the 1st day of October, 1994 and is executed by Advance Magazine Publishers, Inc., d/b/a Conde Nast Publications, Inc. and Self Magazine, in favor of Landmark Education Corporation ("Releasee").

In consideration of the Release, made by Releasee in favor of Advance Magazine Publishers, Inc. and others, in the form annexed as an exhibit to the parties' Settlement Agreement entered into as of October 1, 1994 and other good and valuable consideration, it is hereby agreed as follows:

1. Advance Magazine Publishers, Inc., on behalf of itself, its employees, agents, assigns, divisions, units, subsidiaries, officers and directors ("Releasor"), hereby releases and forever discharges Releasee, its employees, agents, representatives, divisions, units, subsidiaries, affiliates, officers and directors, from all actions, claims, demands, causes of action, obligations, damages and liabilities of any nature whatsoever, whether or not now known, suspected or claimed, which it had, has, claims to have, or hereafter can, shall or may have against Releasee which in any way arise out of or relate to the article entitled "White Collar Cults -- They Want Your Mind" and a sidebar entitled "America's Most Wanted Cults" which was published in the February, 1993 issue of Self magazine.

2. Except as set forth in Paragraph 1 above, this Release is not intended to and does not release or discharge any claims, remedies, causes of action, obligations, damages or

liabilities that Releasor may now have, has, or in the future may have, against Releasee from or relating to any other matter.

IN WITNESS WHEREOF, Advance Magazine Publishers, Inc. has caused this Release to be executed by its duly authorized officer and its corporate seal to be hereunto affixed on this 31 day of October, 1994.

Advance Magazine Publishers, Inc.

By: Eric C Anderson
Its vice president

STATE OF)
) ss.:
COUNTY OF)

On October 31, 1994 before me personally came Eric C Anderson to me known, who, by me duly sworn, did depose and say that (s)he resides at _____; that deponent is the VICE PRESIDENT of Advance Magazine Publishers, Inc., the corporation described in, and which executed the foregoing Release, that deponent knows the seal of the corporation, and that the seal affixed to the Release is the corporate seal, that it was affixed by order of the Board of Directors of the corporation, that deponent signed deponent's name by like order.

VIRGINIA M. BROWN
NOTARY PUBLIC, State of New York
No. 41-4806746
Qualified in Queens County
Commission Expires May 3 1996

Virginia M Brown
Notary Public

EXHIBIT D-2

RELEASE

This Release is dated as of the 1st day of October, 1994 and is executed by Dirk Mathison in favor of Landmark Education Corporation ("Releasee").

In consideration of the Release, made by Releasee in favor of Mathison and others, in the form annexed as an exhibit to the parties' Settlement Agreement entered into as of October 1, 1994 and other good and valuable consideration, it is hereby agreed as follows:

1. Mathison, on behalf of himself, his agents, heirs, assigns and successors ("Releasor"), hereby releases and forever discharges Releasee, its employees, agents, representatives, divisions, units, subsidiaries, affiliates, officers and directors, from all actions, claims, demands, causes of action, obligations, damages and liabilities of any nature whatsoever, whether or not now known, suspected or claimed, which it had, has, claims to have, or hereafter can, shall or may have against Releasees which in any way arise out of or relate to the article entitled "White Collar Cults -- They Want Your Mind" and a sidebar entitled "America's Most Wanted Cults" which was published in the February, 1993 issue of Self magazine.

2. Except as set forth in Paragraph 1 above, this Release is not intended to and does not release or discharge any claims, remedies, causes of action, obligations, damages or liabilities that Mathison may now have, has, or in the future may have, against Releasee from or relating to any other matter.

IN WITNESS WHEREOF, Mathison has caused this Release to
be executed by on this ____ day of October, 1994.

Dirk Mathison

STATE OF)
) ss.:
COUNTY OF)

On October ____, 1994 before me personally came Dirk Mathison, to me known and by me personally sworn, who said that he resides at _____, he is the individual named in the above Release and he duly executed same.

Notary Public

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

LANDMARK EDUCATION CORPORATION,

Plaintiff,

- against -

THE CONDE NAST PUBLICATIONS, INC.,
d/b/a SELF MAGAZINE, ADVANCE
MAGAZINE PUBLISHERS, INC. d/b/a
SELF MAGAZINE and DIRK MATHISON,

Defendants.

Index No. 114814/93

Calendar No.

STIPULATION
DISCONTINUING ACTION

IAS Part 3

Assigned to:
Hon. William J. Davis

IT IS HEREBY STIPULATED AND AGREED, by and between the undersigned, the attorneys of record for all the parties to the above entitled action, that whereas no party hereto is an infant or incompetent person for whom a committee has been appointed and no person not a party has an interest in the subject matter of the action, the above entitled action be, and the same hereby is discontinued with prejudice, without costs or attorney's fees to any party as against the other. This stipulation may be filed without further notice with the Clerk of the Court.

Dated: *November 14, 1994*

Satterlee, Stephens, Burke & Burke
Satterlee, Stephens,
Burke & Burke
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Morrison Cohen Singer & Weinstein
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