

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

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	:	
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