

EXHIBIT A

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March 2, 2005

Peter L. Skolnik, Esq.
Lowenstein Sandler PC
65 Livingston Avenue
Roseland, New Jersey 07068-1791

Re: Landmark v. Ross
In Connection with Settlement

Dear Peter:

I write to set out my client's proposal for the resolution of this action:

1. Defendants will post on their websites, on the top pages for Landmark and The Forum, the statement that you have repeatedly affirmed to us: that Mr. Ross does not believe Landmark or The Forum is a cult.
2. Defendants will post on their websites for a period of at least five years in prominent positions the four documents (in full) that are enclosed:
 - a. The letter from Raymond Fowler, former Executive Vice President and CEO of the APA
 - b. The report of Dr. Norbert Nedopil reporting two studies of The Forum.
 - c. The letter of Dr. Edward Lowell.
 - d. The report of the Talent Foundation.
3. Defendant will separate the section for Est from the Landmark section and treat it as its own entity.
4. Landmark will withdraw its complaint with prejudice.

Sincerely,



Deborah E. Lans

DEL/lc

The following is a scholarly study of unconventional programs in Germany dealing with personal growth and life coping skills by Professor Doctor Norbert Nedopil and others commissioned by The Free State of Bavaria and published on June 30, 2002 by The University of Munich; and a 1995 study of the Landmark Forum by Dr. Nedopil which was included in the 2002 study. Professor Doctor Nedopil is the Head of the Department of Forensic Psychiatry at the University of Munich and a recognized expert on sects (cults).

REPORT

Landmark Education is a commercial provider of life coping techniques which differs from the usual professional therapy and consulting offerings. Landmark Education functions within the legal norms of Germany. Landmark Education is a business enterprise and makes no claim to be a religion. It does not stand in the center of public interest.

There does not appear to be any potential legal conflict in any of its activities nor are there any irregularities in the area of Civil Law.

Participants in Landmark Education programs are mature, mentally stable, healthy, successful people with a relatively high socio-economic status, have the highest level of education and social and professional integration and are gainfully employed. Prior to participating in the Landmark Forum, relatively few people express having personal problems and most lack Psychological disturbances or complaints. People with obvious and serious psychological problems were not present in the course. Landmark Education expressly refuses to let such people participate and filters them out in its application questionnaire and at the beginning of the course.

All participation is voluntary and participants are always free to leave any program at any time. There are no limitations on personal freedom and its rules can hardly be characterized as manipulative.

According to Landmark Education, the purpose of the Landmark Forum is to enable the participants to examine assumptions about their lives that as yet hadn't been examined and in the process shape the circumstances of their lives more powerfully and effectively. They are not taught any "ultimate truths". No concrete results are promised to the participants in the various courses.

Instead, the program consists of an ontological examination in the form of conversations that would be conducted between the participants and the instructor in a manner resembling a "Socratic dialogue". Participants have the option of actively engaging in the conversations or of restricting themselves to just listening. There are only a few exercises in which the participants communicate amongst themselves. Most of the other courses also consist of such philosophic examination.

The main goal of Landmark Forum participants is to gather self knowledge and self awareness and to acquire success strategies for achieving private and professional objectives. Landmark Education's goals to improve self confidence in interactions with others (relationships) and to improve self-assertion capabilities (productivity) correspond to the needs of its participants and are clearly identified. Landmark's objectives appear to be basically achievable by the participants.

The theoretical model on which the Landmark Forum is based assumes that the fulfilling structure for future occurrences can be accessed in certain speech patterns. The access to the future is also viewed in a special way of seeing language in its relation to ontology. The core of the Landmark Forum is a certain way of seeing language in which language is not used in its designating function but rather as a means of directly causing reality. In the process, work is done with promises and declarations, for instance, in which the act of speaking has an autonomous, constitutive function beyond its mere statement. Thus, the participants are supposed to be empowered with the ability to shape their future independent of limitations from the past.

On the basis of empirical investigation, it can be said that to the largest extent, Landmark Education does not present risks to the health, free will and legal integrity of its participants. Nor, according to Dr. Nedopil, is there any evidence that the Landmark Forum is harmful.

Dr. Nedopil stated that he "could not discern any form of behavior which would put the Landmark Forum near a so called [psycho] sect." He added that the features which would suggest classification of the Landmark Forum as psycho-cult could not be ascertained. Nor could any of the criteria commonly used for identifying sects be ascertained during observance of the Landmark Forum.

Certain experts (without any personal knowledge of Landmark's programs) critical of Landmark Education tend to assert prejudiced opinions. They frequently project onto Landmark Education their general knowledge about unconventional psychological and social techniques.

The risks identified by these experts are neither confirmed at all by those with first hand experience or may exist only in isolated cases. Statements even by people who have dropped out of a Landmark program do not justify the evaluation of these critical experts.

The objectives of Landmark Education are primarily directed to the individual customer. The courses offered are understood as investigations conducted in a group that is supposed to help the individual think for himself and to be more creative. The organization defines no goals for itself. Landmark Education does not propagate any particular view of the world or ideology. However, its courses are based on an understanding of the human being that derives from "philosophical" considerations.

The company is owned by its employees, with whom it has a normal relationship.

The scheduled courses have a price ranging between 850- and 1,500 German marks. Participation in courses can be cancelled up to their commencement.

Landmark Course leaders are internally trained. Their qualifications are regularly checked. Customers are informed about possible health risks in writing. If certain health conditions exist, they are advised against attending the courses.

The relationship between the customers and Landmark Education is defined solely through their participation in courses. No one can become a "member" of the organization. No rules and regulations exist concerning how to deal with critics among customers, employees or third parties.

During the course of the Landmark Forum, there was considerable transformation in the participant's attitude toward Landmark Education and the Landmark Forum. This went from initial skepticism and expectant passivity and well-wishing open-mindedness and even to some total enthusiasm. The course is offered in a very entertaining way that makes the extreme concentration for long hours bearable.

SUMMARY:

To the largest extent, Landmark Education does not present risks to the health, free will and legal integrity of its participants. There is no evidence that the Landmark Forum is harmful.

Any form of behavior which would put the Landmark Forum near a so called psycho sect or cult could not be discerned.

The features which would suggest classification of the Landmark Forum as a psycho sect or cult could not be ascertained.

Nor could any of the criteria commonly used for identifying sects or cults be ascertained during observance of the Landmark Forum.

Dr. Nedopil concluded that on the basis of his experience gathered from dealing with members of sects and cults and from assessing health risks posed by sects and cults, he could not ascertain comparable practices or ideologies at the Landmark Forum.

Raymond D. Fowler, Ph.D.
4020 Linnean Avenue, NW
Washington, DC 20008

Report on the Landmark Forum

The following report represents my own professional opinions and does not in any way reflect the views of any university or organization with which I am or have been associated. I am not submitting this report as a representative of any organization.

I received my doctorate in clinical psychology from the Pennsylvania State University in 1957. My experience includes: 30 years as a professor of psychology and 18 years as department head at the University of Alabama; 2 years as department head at the University of Tennessee; 30 years teaching psychotherapy and psychological assessment and a similar period as a consultant and expert witness on psychological and management matters. For the past 10 years I have been the Executive Vice President and Chief Executive Officer of the American Psychological Association. I am a Fellow of the American Psychological Association, the Division of Psychotherapy and the Society for Personality Assessment. I am past president of the Alabama, Southeastern and American Psychological Associations. I hold Psychology license #4 in the State of Alabama.

At the request of the Landmark Education Corporation, I undertook an evaluation of the effectiveness, safety and appropriateness of the procedures followed in conducting the Landmark Forum program. As background for my evaluation, I attended the Landmark Forum on May 7, 8, 9 and 11th, 1999. In addition, I reviewed all of the materials used to screen participants, including the extensive application form which Landmark requires all participants to complete; the Policies and Procedures followed by staff in conducting the program; and the forms used to obtain information from health care professionals when such information is needed.

The report is in the form of several questions that might be raised about the Landmark Forum, followed by answers that reflect my experience and my professional opinion.

Is the Landmark Forum harmful? I saw nothing in the Landmark Forum I attended to suggest that it would be harmful to any participant. The program is designed for reasonably healthy and effectively functioning individuals and participants are carefully screened to assure that they are appropriate for the program. The Leader was pleasant and professional in his interactions with participants. At no time was he judgmental or hostile to any participant. On the contrary, he was sensitive and adept in handling the reactions of the participants to topics under discussion. Since some participants were frankly discussing unhappy or unsuccessful life experiences such as painful experiences or troubled relationships, some people expressed sadness, and there were some tears, but these were handled well by the leader, and there were no incidents of disruptive or dysfunctional emotionality.

Participants were informed that leaving the program at times other than scheduled breaks or otherwise missing parts of the seminar would detract from the experience, but there was no coercion to remain in the room, and it was not unusual for participants to leave and return. Participants were not pressed to give personal information, and some chose to speak rarely if at all, apparently preferring to listen and observe.

My informal observations of participants during the sessions and in informal conversations during breaks suggested to me that people felt interested and relaxed and challenged to think deeply about themselves. I did not experience any personal sense of harm, danger,

threat, or intimidation at any time, and I saw no evidence that anyone else did. In my opinion, there was nothing in the Landmark Forum program I attended either in its content or the way in which it was conducted, that could be considered as harmful to participants.

Many participants expressed the feeling that participation in the program had been beneficial to them in understanding themselves and their relationships. Some participants, who had attended other Landmark Forum programs in the past, said that their lives had been improved by the experience, and many new participants came because friends and relatives had told them that it had been a beneficial experience for them.

Is the Landmark Education Corporation's policy and application of screening appropriate and sufficient? The Landmark Forum is designed for people who are mentally and physically reasonably healthy and who are handling their life situations effectively. The screening procedures are designed to prevent the participation of individuals whose coping skills are compromised by mental or physical illness or other causes. The screening procedures, which are extensive, range from a self-report questionnaire, through telephone interviews to face-to-face interviews with the Program Leader.

Application Questionnaire. The application questionnaire clearly informs potential participants that the Landmark Forum is intended for people who are well, that it is not intended as therapy or treatment for any disorder and that participants are responsible for determining whether they are physically, mentally or emotionally prepared for the experience. Individuals with a history of mental illness or severe emotional problems are instructed to consult with a mental health professional about their ability to handle stress. Those who have questions about their ability to handle stress are recommended not to participate in the program.

In addition to standard identifying data, the questionnaire requires the participant to describe any past or present mental health problems and hospitalization, treatment or medication for mental or emotional problems.

Screening Procedures. Any answers on the application form that suggest any current or past mental or emotional problems are the subject of a telephone interview by a staff member. For each of the questions involving mental health issues, the manual used by the staff includes highly detailed instructions for handling answers that might be given by the applicant. Any response indicating that the applicant has experienced mental health problems in the past or present triggers very specific questions on the part of the interviewer. If an individual has had difficulties and/or treatment in the past and is currently experiencing difficulties, or if the applicant is taking psychoactive medications, the interviewer calls back for a second interview and recommends against participation in the Landmark Forum. Those who insist on participating despite the recommendation are required to get a signed consent from a licensed mental health professional. Landmark Forum staff members do not give medical or mental health advice to participants or prospective participants: staff members who do screening base their statements and questions on the advice of appropriate professionals and on the manuals developed with professional consultation.

Applicants not screened out by the above procedures are asked to inform the Landmark Forum of any changes in their mental and emotional condition. Staff members are provided with detailed procedures for handling any atypical events that might occur during the program, such as a sudden illness, although such events are apparently extremely rare.

Program leaders, who are well trained and highly experienced, provide the final level of screening. If there is doubt on the part of any staff member about the appropriateness of an applicant to participate, if the applicant has been approved on a legal waiver or if any

applicant or participant exhibits behavior that raises questions about her/his emotional well being, the Program Leader is authorized to interview and, if necessary, reject the applicant as a participant.

In my opinion, the application form is well designed to inform applicants of the nature of the program and the requirements and responsibilities of a participant. The screening questions are well crafted to identify mental and emotional problems or other disqualifying conditions. Of necessity, the application form depends upon honest answers from the applicant. Although individuals who fail to disclose relevant information could pass through the screen, they would have to do so knowingly and would have to falsely sign an informed consent form stating that all of their responses were accurate and true.

The instructions to staff for telephone screening are very elaborate and thorough. Although some judgement is required on the part of the interviewer (judging the applicant's current effectiveness in dealing with life) most of the decisions are precisely programmed by the instructions and require little or no judgement on the part of the interviewer, and certainly no diagnostic skills or training. Again, assuming reasonable honesty on the part of the applicant, I believe the probability is very high that the existing procedures are appropriate and sufficient to screen out applicants who should not participate.

Is the Landmark Forum a form of psychotherapy? Does it use the techniques of psychotherapy? Do Landmark Forum Leaders need to be trained, licensed mental health professionals?

It is clear from the stated goals of the program and from my observations of how it operates that the Landmark Forum is nothing like psychotherapy. In my 40 years as a psychologist, I have studied psychotherapy extensively, have taught and supervised hundreds of students, and I am a Fellow of several organizations on psychotherapy. I consider myself very experienced in understanding what psychotherapy is about. What I experienced and observed at the Landmark Forum I attended was nothing remotely like psychotherapy as I know it. In general, I would consider the content of the program to be philosophical rather than psychological in nature: participants are challenged to examine their ways of thinking much as they might be in a philosophy course. Language, relationships and communication patterns are examined from that frame of reference and not from the point of view of psychopathology or mental dysfunction.

Landmark Forum leaders are not, and do not need to be, psychotherapists or psychologists, and the program could in no sense be regarded as psychotherapy or as a part of the discipline of psychology. What the leaders are doing in their interactions with participants is more closely akin to the kind of sensitivity training given to educators and Peace Corps volunteers to help them become more aware of how they interact with others. It was not much different in depth, intensity and self-disclosure than the conversations among close friends or family members might be. The intense relationships that often develop as a part of psychotherapy (sometimes referred to as transference) were nowhere in evidence, and there hardly could have been in such a large group with such distant and brief interactions with the leader.

It would be inappropriate and inaccurate to identify the Landmark Forum program as a form of psychotherapy. Individuals in psychotherapy might find the Landmark Forum experience interesting and stimulating, but it would hardly cover the issues typical in psychotherapy. Since the Landmark Forum was neither designed nor intended to be psychotherapeutic in nature, and participants are clearly informed of that at the onset, individuals in need of psychotherapy should not expect to obtain psychotherapeutic benefits as a result of participating in the Landmark Forum. No one seeking psychotherapy should expect to find it in a Landmark Forum.

Psychotherapists and Landmark Forum leaders are different in training, orientation, techniques and skills. I suspect that some psychotherapists would, with appropriate training, make good Landmark Forum leaders and that some Landmark Forum leaders would, with proper education and training, make good psychotherapists, but neither needs the training or skills of the other to do their respective jobs. Since mentally ill and emotionally disturbed individuals are screened out of Landmark Forum programs and since the techniques of Landmark Forum leaders are not those that would be likely to assist the mentally ill, I can see no reason for Landmark Forum Leaders to be licensed mental health professionals.

Is the Landmark Forum or the organization that delivers it, Landmark Education Corporation, a cult or anything like a cult? Are people at risk of "brain washing", "mind control", "thought reform", or other forms of manipulation?

The Landmark Forum has none of the characteristics typical of a cult. Most cults have a charismatic leader or leaders who maintain, with their members, a strong relationship over a prolonged time period. Cult members become very emotionally attached to their leaders, even if they do not come in close contact with them. They are encouraged to follow the instructions of the cult leader and to devote significant amounts of their time and resources to activities directed by the cult leader. Typically, cult members remove themselves from their families and usual environments and undergo periods of social isolation, peer pressure to conform, and significant modification of their behavior, lifestyle, dress, food and relationships. None of these characteristics are even possible in the relatively brief encounters that take place at a Landmark Forum; the level of intensity and duration are not sufficient to encourage the intense, addiction-like behavior said to be exhibited by cult members.

In my opinion, "brain washing", "mind control" or "thought reform" are very dubious concepts. There is little evidence to support that they ever take place except in situations in which extreme coercive pressure is put on a vulnerable person in circumstances of isolation, deprivation, and mistreatment such as a prisoner of war situation. The relatively brief encounters in a pleasant environment that characterize the Landmark Forum program could never effect such extreme and unwanted changes in personality and behavior as those attributed to the various forms of "mind control".

In my opinion, the Landmark Forum does not place individuals at risk of any form of "mind control" "brainwashing" or "thought control."

In my opinion, the Landmark Forum is not a cult or anything like a cult, and I do not see how any reasonable, responsible person could say that it is.



Raymond D. Fowler, Ph.D.
November 30, 1999

EDWARD H. LOWELL, M.D. P.A.
372 HARDING DRIVE, SOUTH ORANGE, NJ 07079-1339

(201)763-7769

November 14, 1996

Art Schreiber Esq.
General Counsel
Landmark Education Corporation
353 Sacramento St., Suite 200
San Francisco, CA 94111

Dear Mr. Schreiber:

This letter is in response to your request for me to write about my knowledge and experience of Landmark Education Corporation's programs, especially The Landmark Forum, The Advanced Course, The Self-Expression and Leadership Program, and The Forum in Action Seminar.

I am a medical doctor specializing in psychiatry and have been licensed to practice medicine since 1955 in New Jersey, New York and California. I am certified by the American Board of Psychiatry and Neurology since 1962, and have spent thirty-nine years practicing general psychiatry and psychotherapy. I have never been an employee of Landmark Education Corporation (Landmark).

Since beginning my practice in 1957, I have consulted with and psychiatrically treated many thousands of individuals with mental, social and emotional problems. I have been affiliated with at least six hospitals, have been a consultant for many private agencies and for government agencies of the United States, the State of New Jersey, various municipalities, and for various Courts of law. My psychiatric training included a residency in a U.S. Army Hospital in 1955 during which time, in order to deal with American military men who were mentally manipulated by their Chinese captors, I was trained specifically about the technology and techniques of "brainwashing", "mind-control" and "thought reform."

I am familiar with the Landmark Forum and have personally experienced and examined closely the work and programs of Landmark. Furthermore, I've spoken professionally and personally to over two thousand people of all sorts: patients, neighbors, friends, relatives

and medical and psychiatric colleagues about their actual personal experience with The Landmark Forum. I have also been willing to serve as a voluntary, unpaid medical advisor for Landmark.

Both my personal and professional knowledge and experience lead me to say that The Landmark Forum and other programs offered by Landmark provided me and provide other individuals with a valuable educational opportunity that allows one to gain a greater sense of independence and self-confidence in one's ability and accomplishments in life. After my careful observation, I have seen nothing at all that would lead me to the conclusion that The Landmark Forum or any other Landmark program or Landmark itself does or even attempts to engage in any sort of brainwashing, thought reform, hypnosis, or thought modification whatsoever.

I have also carefully evaluated Landmark on the issue of its being a cult or cult-like. Categorically I can report that it is not.

A cult is a religion or religion-like sect generally considered to be extremist or false, with its followers believing or living in an unconventional manner under the guidance of an authoritarian or charismatic leader. There is a special reverence or devotion to such person. There is often a non-scientific method or regimen claimed by its originator or proponent to have exclusive or exceptional power.

In a cult, there is an inculcation or indoctrination of a new idea to displace participants' usual, familiar and conventional ideas by subjecting them to repetitive instruction, indoctrination, sense of duty, etc. Similarly, brainwashing involves (1) intensive, forcible indoctrination aimed at destroying a person's basic convictions and attitudes and replacing them with an alternative set of fixed beliefs; and (2) the application of a concentrated means of persuasion, such as repeated suggestion, in order to develop a specific belief or motivation. Necessarily involved are a kind of physical entrapment, power to inflict harm or detrimental effects, and secluding one from contact with friends and family.

Not one of these exists in Landmark or any of its programs. Nowhere, ever, is there any granting or seeking of obedience, authority or the acceptance of any harshness. Participants go to their homes after every session. The strongest adjectives that may be used to characterize The Landmark Forum and other Landmark programs are "intellectually persuasive" or "intelligently cogent". Nowhere does the participant experience a disenchantment with his previous affiliations, loyalties, support groups and principles.

Landmark has none of the characteristics of cult-like organizations. There is no joining an organization—Landmark has no members. There is no element of geographic or family dislocation whatsoever. There is no thought reform. The Landmark Forum leads to a more open, flexible self, a more Protean self. There is no element of coercive persuasion. There is no damage to family. In fact most participants have reported improved relationships with their families. Participants after The Landmark Forum find themselves with a greater sense of contribution to their own communities, bodies of interests and charities.

The Landmark Forum is a program which one does voluntarily where one inquires into ideas, much as one learns a skill or a new distinction such as aviation, dancing or tennis. There is no “membership” in The Landmark Forum or in Landmark, and there are no dues to pay—people simply pay a relatively small tuition for the particular program in which they participate. Landmark never has a financial contribution drive, never a request for funds, and participants’ contributing of money is not even permitted. Those who take the programs commonly are able to give up previous egotistic, arrogant behavior and contribute to the community at large.

Landmark is entirely an employee owned corporation. There is no charismatic leader. Indeed no special “leader” exists at all. The Landmark Forum is conducted by approximately forty Forum Leaders, not one. They are not self-appointed, but undertake rigorous training and testing and evaluation. The effectiveness of The Landmark Forum is not based upon the leader’s charisma. Participants often never see their Forum Leader again. They take the program and it’s over.

Landmark is not based upon personality: diversifications in staff and participants is astounding and very revealing of the neutral, culturally blind, politically blind, nationality blind, shared-humanity focus. Landmark Forum Leaders are diversified, not any one personality. They are men, women, black, white, Hindu, Asiatic, older, younger, Jewish, Catholic, Protestant and other, heterosexual, homosexual, Italian, Hispanic, Indian, French, German, American, English, Australian and more.

People I personally know who have taken and benefited from The Landmark Forum are similarly diversified into those same kinds of categories. They include young students, older persons with the highest of academic degrees, laymen, clergymen, physicians, engineers, law enforcement officers, laborers, psychologists, lawyers, judges, movie stars, and educators.

Those who take The Landmark Forum continue on in their jobs, neighborhoods, communities, charities of interest. They lead their lives with what they learned in The Landmark

Forum empowering their personal pursuits by an increase in their own productivity, communication skills, and self-confidence.

There is no Forum idea to inculcate. The Landmark Forum has no point of view on marriage, divorce, politics, religion, economics or any other issue. It encourages and enables those who participate to re-examine their own cherished assumptions so as to reconsider them in light of present and future ideas, not the past. In doing so, the participants keep those assumptions which work and remain timely and appropriate, and step beyond those which no longer work or are obsolete. The Landmark Forum does not propose a new philosophy to be espoused. The purpose is to present the opportunity for participants to see new possibilities and choices which they did not see before. The Landmark Forum does not suggest which of those newly seen choices the person ought to take— ever! There is not even any mechanism by which someone who takes the program can get advice or instruction on major life decisions.

To the contrary, what I have observed are people educating themselves in The Landmark Forum to inquire into, examine and consider newly, rationally and thoughtfully their own individual goals, pursuits, relationships and bodies of interest. The Landmark Forum does not offer or ever purport to offer a “truth” of any kind as is commonly and necessarily associated with mind-reform and thought control. The Landmark Forum as I have observed, presents neither its own nor any already existent “truth.” Indeed, each program Landmark delivers includes an explicit caveat that nothing that has been considered or spoken throughout the course is the “truth” but are only ideas to be considered for the moment, evaluated, and to be discarded if not found useful by the participant.

Based on my personal and professional knowledge and experience, I can state that Landmark and The Landmark Forum are not a cult or cult-like and that people who participate in Landmark’s programs are not damaged.

Very truly yours,

A handwritten signature in black ink that reads "Edward H. Lowell, M.D." The signature is written in a cursive, flowing style.

Edward H. Lowell, M.D.

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A Shortcut to Motivated and Adaptive Workforces

June 2000 – Phase 1 Results

Foreword

You say that your organisation needs people who can learn and adapt quickly, who can solve problems without being told to, who can come up with creative ideas and not wait for others to do it for them. People with a positive, responsible attitude.

You also say that you need a reliable return on the time and money you invest in your people. Too much money is already invested in skills training, yet most of the expected return is not there. So, what is missing? The Talent Foundation believes that today's training strategies are sophisticated and well-thought through, but they have a critical blind spot – the learner's motivation to learn.

Without appropriate 'readiness' to learn, training investments are destined to fail.

Over the last few months, The Talent Foundation engaged several organisations and individuals in researching the issue of motivation to learn. We scanned several factors that affect motivation and found amazing results in the area of emotional intelligence (EI). In essence, those individuals who have developed EI were significantly more proactive towards learning and had higher 'readiness' towards adaptation than those from a control group.

This leaves organisations with two options: Either recruit only people with higher levels of EI or develop the workforce they already have. Can people be trained in emotional intelligence? Fast? What difference will it make?

Our research shows that workers trained in emotional intelligence techniques have significant advantages in:

- 'Can do' attitude – confidence in the contribution they can make at work, attitude towards finding opportunities to use their skills at work
- Willingness to learn – positive attitude towards learning
- Confidence on what and how to learn
- Win-win attitude regarding training provided by employers

This research compared 100 people who attended a three-and-a-half-day course, with 100 people from a demographically similar control group who did not. The results are attached (I have highlighted the key elements to help you skim through).

Over the next months we will extend this research to other programs, identifying the ones that create better results – faster. Also, we understand that 'readiness' to learn is not sufficient. Competence to learn and 'big-picture thinking' are also strategic skills for adaptive organisations. We will soon pilot a comprehensive strategy at a call centre, including all 3 (readiness, competence to learn and big-picture thinking) aspects and will measure key performance indicators to test the value of the solution.

Lastly, I want to acknowledge Astute Solutions (for conducting such a professional piece of research), Landmark Education (for letting us 'challenge' their product) and the 200 individuals who gave their time and honest answers for this work.

I am delighted to share the first part of our research on motivation with you. It is my hope that not only will it bring insight but that it will encourage action as well.

Let's keep in touch.

Kind regards,



Javier Bajer
Chief Executive
The Talent Foundation

Background and Hypothesis

In today's economy, individual and organisational ability to learn and adapt is key for success. Organisations are focussing their efforts in creating good learning for their employees, using best possible strategies including web-based 'just-in-time' delivery of training. Consistently we see that good intentions get stopped at the receiving end of the learning equation. People cannot be forced (or bribed) to learn and, in most cases, learning is perceived as a threat or at least as an inconvenience, not allowing the natural learning 'engines' to do their job.

Our belief is that an individual's emotional intelligence is the major driver for that ability. Workforces where individuals share this ability will be far more adaptive and responsive to continuous change. They will learn easily and faster than others. They will not need the 'push', but will 'pull' for learning and development opportunities.

So the question is two-fold: first, whether emotional intelligence makes a difference for learning 'readiness' and second, whether these skills can be developed in people or is a condition from nature.

Methodology

In this study we compared two similar groups of people (mainly) in employment. Group A was randomly selected from a database of individuals who have attended an EI / motivational course over the last 2 years¹. Some of these people have gone on to undertake other courses, although exactly how many were taken did not form part of this enquiry.

Individuals in the control group (B) have not experienced any similar training. This group was matched up to the condition group in order to allow valid comparisons between them (this required a significantly larger control group). However, only the 100 respondents which most closely matched the demographics from those in group A went forward into the research shown below.

Researchers conducted one hundred telephone interviews per group. All samples were UK-based.

The subset chosen were participants whose surnames began with the letter S and lived in London. The control group was taken from a series of London telephone directories, all of whom also have surnames beginning with the letter S and who have either an 0208 or 0207 telephone number. (In some cases only a mobile telephone number was listed, in which case the address was used as corroboration.)

¹ The course used for this initial part of the research was The Landmark Forum, widely offered throughout major cities by Landmark Education Corporation, a global organisation with many years of experience in this field (www.landmarkeducation.com, or phone +44-20 7969-2020 in London). For the business application of this technology, you can contact Norman Dayron at Landmark Education Business Development on +1-415-616-2478.

Detailed Results

#	Question	Options	Group A ²	Control
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I will read you a statement and give you four options which I'd like you to put into your order of preference. The statement is about individual learning styles. Simply put, the statement is:

1	I learn best from	Internal Courses	4th	3rd
		External Course	2nd	1st
		Self Study	3rd	4th
		Other People	1st	2nd

Please think about the last two or three things you have learned or skills you have acquired. These can be anything from learning a new computer programming language to working out how the tube system works, or learning snap, bridge, flower arranging or anything else. Again, using the same options please tell me where you learned these. Was it from:

2		Internal Courses	4th	3rd
		External Courses	2nd	4th
		Self Study	3rd	2nd
		Other People	1st	1st

Please think about the types of skills that are normally taught at company-sponsored courses (e.g. interpersonal skills, management and organisational skills, time management, etc) and the training you have been given.

3	What percentage of what you learn at work do you feel you can apply in your job?		68.4%	62.3%
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4	What percentage do you feel you can apply elsewhere? (home, hobby, etc.)		57.7%	43.4%
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5	Do you believe that the training provided by your employer is beneficial...	to you	7%	3%
		to the company	12%	52%
		to both	81%	45%

6	How much do you feel your own talents are being developed at work?	(%)	52.4%	42.8%
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7	Do you feel the organisation you work for takes personal development seriously?	Yes	58%	34%
		No	42%	66%

8	Do you believe you have a unique and valuable contribution to make at work?	Absolutely	69%	30%
		Mostly	26%	48%
		Other	5%	22%

² These are graduates from the Landmark Forum that have participated from the course over the last 2 years. Results from groups B and C (graduates from other two similar courses) will be reported when the research is completed.

#	Question	Options	Group A	Control
9	Do you believe you can find and use opportunities to apply your skills at work?	Absolutely Mostly Other	40% 39% 21%	11% 50% 39%

10	If you were looking for a new job now, how important would the provision of Personal Development training be in your choice of organisation to work for?	Absolutely Mostly Other	31% 39% 30%	8% 42% 50%
----	--	-------------------------------	-------------------	------------------

I will read you three statements, to each of which I'd like you to answer either "Yes, I agree", "No I do not agree" or "Don't know":

11	i. Learning is fun	Yes No Don't know	88% 7% 5%	64% 24% 12%
----	--------------------	-------------------------	-----------------	-------------------

11	ii. I know how I learn best	Yes No Don't know	62% 19% 19%	43% 39% 18%
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11	iii. I know what I would need to learn to be more successful	Yes No Don't know	71% 5% 24%	61% 8% 31%
----	--	-------------------------	------------------	------------------

Primary Findings

Within 2 years of participating from a short motivational course, individuals surveyed showed significantly higher levels of motivation, self-esteem and confidence in relation to their learning and the application of skills at work.

Participants from the course showed a more proactive attitude overall, whether it related to their own learning or their ability to apply new skills at work. Their level of motivation, when compared to the control group, was significantly higher, even 2 years after having participated on the course.

In today's work, being able to relate to learning in a positive manner is key for the continuous adaptation and flexibility of the workforce. More than two-thirds of participants from the course saw training as beneficial to both their organisation and themselves. Less than half of those in the control group saw the training they receive as a win-win deal.

Participants that developed EI-type skills perceived learning to be fun (88% versus 64% from the control group), had a higher level of self-awareness (62% versus 43%) and knew what to learn in order to succeed (71% versus 61%).

Almost two-thirds of individuals from the course felt they can make a 'unique and valuable contribution at work'. These levels of confidence and self-esteem were quite low in the control group, where only a third of individuals gave a positive answer. This study also shows that those with higher levels of self-esteem are 4 times more confident at finding opportunities to apply their skills and make a difference at work.

'Non-obvious' Findings

From questions 1 and 2, we can see that there is a high degree of 'fidelity' in group A's answers, not observable in the control group (group A gave the same answers to questions 1 and 2). This could be evidence of a higher self-awareness when reporting about learning preferences. In these two questions we can also see that people prefer learning from others and from external conferences rather than from self study or internal taught courses. (1, 2)

The final question asked whether respondents knew what they would have to learn in order to be more successful. We would have expected, in the light of all the answers above, that group A would be more positive in knowing what they need to learn, as opposed to the control group. In this case the answers were markedly similar. What was surprising was the high number of group A respondents who said they did not know what they would have to learn in order to

be more successful. However, when asked to qualify their answer, most respondents from group A mentioned that they did not currently know what they would need to learn in the long term. They mentioned that they knew what their skills gap was today, but did not want to close themselves off from other factors in the future. (11, iii)

Conclusions

Having the right attitude towards learning is essential for the effectiveness and efficiency of the development of new skills. An organisation's ability to adapt depends primarily on each individual's confidence and attitude towards learning.

Based on our findings, it appears that readiness to learn can be developed through short interventions, such as the one evaluated in this research. Contrary to popular belief that sees

attitude as a 'given', where people either have it or not, there is clear evidence that not only can good attitude towards learning be developed but also that it can be done quickly.

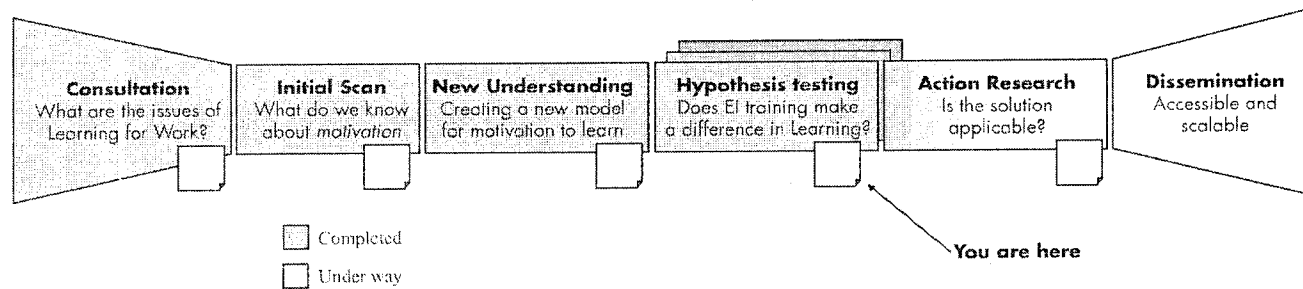
The course in question produced radical and sustained change in the way individuals relate to their own development.

Big Picture and Next Steps

A few months ago, a group of Chief Executives helped us identify the 'hot' issues in their organisations during a **consultation** event at the RSA. We listened carefully because this was going to define our work

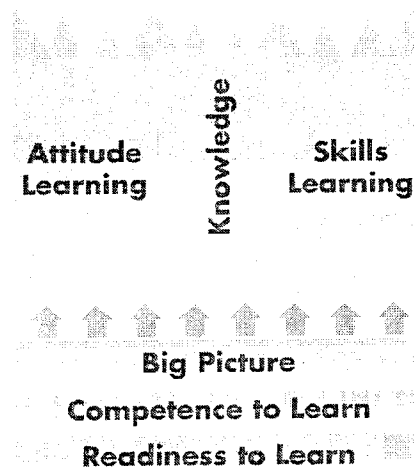
agenda. The issue at the top of the list was 'how do you motivate a workforce to learn and adapt'. We took this as our challenge for the first year of the Foundation.

We then **scanned** the world of motivation to learn, extensively. This piece was performed by Bamford Taggs, in London.



The Learning Primer

We used this research and involved several established experts in the area to help develop a **new understanding** to the challenge of motivation to learn. A new model for learning was agreed:



To use a simple analogy, this model is to learning what a 'primer' is to painting a wall. We believe that learning fails when it is 'painted' over an unprepared surface. In the case of painting, that surface will not absorb the colour and will eventually peel or rust. Pouring new skills onto people, without developing their readiness to learn and their competence to learn, may be a waste of time and money.

We identified strategies to develop these layers in the model. This document shows the results from our initial research into Readiness to Learn. Two similar EI courses are being evaluated and a final report will be produced upon completion.

In parallel, we have started our **Action research** phase, where we test the complete model with a group of people at work. We are working with experts from organisations such as London Business School, Plymouth University, Birmingham University, Lincoln University, Landmark Education, ELSIN (European Learning Styles Information Network) and some large businesses (the test ground) to prove the value of the model.

We expect this study to support the 'priming' idea for learning, showing that those developing readiness and competence to learn are far more motivated, adaptive and ultimately productive than their control group peers.

Up to one hundred performance indicators (from productivity to shareholder value) will be recorded before and after the program and then all organisations involved will jointly report the experience in several business and academic publications.

We are conducting further research with this and other similar courses to eliminate the chance of individuals being 'self selected' as they participate from this type of development and test the universal validity of the intervention.

For The Talent Foundation, the challenge does not stop here. We will work with campaigning organisations to package and **disseminate** the solution. We will then go back to the original 'problem' list, check that our work is done and then go to the next item.

Appendix A

Questionnaire used in the research project

QUESTIONNAIRE – All groups

Introduction

- ☛ Ask to take 8–10 minutes of their time.
- ☛ Explain the purpose of this study (we are conducting market research, not selling you something). 'We would like to make the world a better place and would like your help'.
- ☛ Introduce self and the Talent Foundation.
- ☛ 'The Talent Foundation is a global organisation committed to the development of Talent throughout the world of work'.
- ☛ Assure the confidentiality and anonymity of the study.

The results will be available on www.talentfoundation.org at the end of March / beginning of April.

Profile validation

1	Are you working at the moment?	Yes No - Please answer the following questions using your previous employer as the guideline.
2	Are you employed or self-employed? (Contract work to count as self-employed)	E S
3	Do you work for a public organisation (including charity) or for a private company?	Public (e.g. Government department / charity) Sole Trader Private Company (limited or plc. includes partnerships)
4	Size of the company you're working for	Small (1–20 employees) Medium (21–200 employees) Large (200+ employees)
5	What position do you hold within your company?	Shop-floor or similar Junior Management Middle Management Senior Management

Demographics

- | | | |
|---|--|---|
| 6 | Gender | M
F |
| 7 | Age Group | 18–30
31–49
50+ |
| 8 | Level of Education | No formal qualifications
‘O’ Levels / GCSE’s (includes NVQ’s)
‘A’ Levels (includes HND’s)
Degree (first- and post-degree qualifications) |
| 9 | How long ago did you complete your formal education? | Less than 10 years ago
11–25 years
26 years or more |

I will now read you a statement and give you four options which I’d like you to put into your order of preference. The statement is about individual earning styles. Simply put the statement is:

- | | | |
|----|--|--|
| 10 | <p>I learn best from:
And the four options are:</p> <ul style="list-style-type: none"> i. Internal (company-run) courses. ii. External courses
(including night school, conferences, seminars, etc.). iii. Self study (books, videos, TV programmes, etc.). iv. From other people, including colleagues at work, formal coaches, mentors, etc. | <p>Arrange into order of preference.</p> |
|----|--|--|

Please think about the last two or three things you have learned or skills you have acquired. These can be anything from learning a new computer programming language to working out how the tube system works, or learning snap, bridge, flower arranging or anything else. Again, using the same options please tell me where you learned these. Was it from:

- | | | |
|----|--|--|
| 11 | <ul style="list-style-type: none"> i. Internal (company run) courses. ii. External courses
(including night school, conferences, seminars etc). iii. Self study (books, videos, TV programmes etc). iv. From other people, including colleagues at work, formal coaches, mentors, etc. | <p>Arrange into order of preference.</p> |
|----|--|--|

(application of skills)

Please think about the types of skills that are normally taught at company-sponsored courses (e.g., interpersonal skills, management and organisational skills, time management etc) and the training you have been given. I will read you both questions to give you time to think and then come back to ask you for your answer:

- | | | |
|----|--|---|
| 12 | What percentage of what you learn at work do you feel you can apply in your job? | (0–100%) |
| | | <i>NB – the two answers do not have to add up to 100%</i> |
| 13 | What percentage do you feel you can apply elsewhere? (home, hobby, etc.) | (0–100%) |
| 14 | Do you believe that the training provided by your employers is beneficial to | i. you personally
ii. the company, or
iii. both |

(potential)

- | | | |
|----|---|----------|
| 15 | How much do you feel your own talents are being developed at work? | (0–100%) |
| 16 | Do you feel the organisation you work for takes personal development seriously? | Y
N |

For the next three questions I will give you five choices for your answer – these are (read out as per below). Don't worry if you don't remember them – I'll remind you at the end of each question.

(self-esteem)

- | | | |
|----|---|--|
| 17 | Do you believe you have a unique and valuable contribution to make at work? | Absolutely
Mostly
It depends
Just a bit
Not at all |
|----|---|--|

(confidence)

- | | | |
|----|--|--|
| 18 | Do you believe you can find and use opportunities to apply your skills at work? | Absolutely
Mostly
It depends
Just a bit
Not at all |
| 19 | If you were looking for a new job now, how important would the provision of personal development training be in your choice of organisation to work for? | Absolutely
Mostly
It depends
Just a bit
Not at all |

(learning)

Now I will read you three statements, to each of which I'd like you to answer "Yes, I agree", "No I do not agree" or "Don't know". Again, I'll read you all three statements first, and then I'll come back for your answer:

- | | | |
|----|--|------------|
| 20 | i Learning is fun | Y |
| | ii I know how to learn best | N |
| | iii I know what I would need to learn in order to be more successful | Don't know |

Group ID (for everyone to validate group A, and to ensure group B candidates have not inadvertently "slipped the net").

- | | | |
|-----|--|---|
| 21a | For Landmark Graduates
Have you completed the Landmark Forum course? | Yes
No (in which case use the questionnaire as part of the control group). Go to 23. |
|-----|--|---|

- | | | |
|-----|--|--|
| 22a | How long ago did you complete this course? | Less than 1 month ago
Between 1 and 6 months
Between 7 and 12 months
More than 1 year
Go to 23 |
|-----|--|--|

- | | | |
|-----|--|----------------------------------|
| 21b | For Control Group
Have you heard of an organisation called Landmark Education? | Yes (go to 22b)
No (go to 23) |
|-----|--|----------------------------------|

- | | | |
|-----|---|---|
| 22b | Have you completed the Landmark Forum course? | Yes (go to 22a, use the response as part of the Landmark population)
No (go to 23) |
|-----|---|---|

- | | | |
|----|--|--------------|
| 23 | That concludes the questions we'd like to ask you. Once again thank you for your time. Please let me reassure you that this research is confidential and anonymous. Before we close, is there anything you would like to ask me? | Q & A (Free) |
|----|--|--------------|

Appendix B

Background information given to respondents.

Background information given to respondents

The Talent Foundation - A global organisation, launched at the Royal Society of Arts on March 20th this year. It envisages a world in which work organisations realise the advantages of developing their employees for the mutual benefit of the individual and the organisation.

The Research Project - This is an exercise in finding out how self-esteem, motivation and confidence can affect individuals in their work environment. This is the first piece of research being carried out on behalf of the Talent Foundation, and is conceived to be the first of several. The results will be available on the Talent Foundation's website (www.talentfoundation.org) after the completion of the research, by the end of March this year.

The Questionnaire - Will take about 8-10 minutes to complete. gives multiple choice answers (on the whole) and is totally anonymous and confidential. In fact, your name will only be used to ensure the correct person is being interviewed.

The Researcher - Ela Grabinska runs her own company specialising in research and communications. Will be calling / supervising the research calls. She has worked with both large and small companies, and has over 20 years experience in the field.

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March 16, 2005

Deborah E. Lans, Esq.
Cohen Lans LLP
885 Third Avenue
32nd Floor
New York, NY 10022

**Re: Landmark Education LLC, et al. v. The Rick A. Ross Institute of New Jersey, et al.
No. 04-3022 (JCL)**

Dear Debbie:

I write in response to your March 2, 2005 proposal, and address each of its points in turn. Please note, however, that we view all issues -- both those you have proposed, and those we raise here -- as intertwined. Accordingly, the responses to each of your points -- indicating what my client would be prepared to include in a negotiated resolution of this matter -- should be viewed only as parts of a whole.

- Your point #1: Mr. Ross would be prepared to post a statement along the following lines, to be made accessible through a link "Is Landmark a Cult?" that would appear at the beginning of the Landmark and Forum sections on defendants' websites:
 - "In my opinion Landmark is not a "cult," but it does have several disturbing features that some might view as "cult-like," such as what some would consider coercive persuasion techniques used within its mass marathon training programs. Moreover, Landmark Education sprang forth from the organization once known as EST (Erhard Seminar Training), which many considered a "cult" due largely to the charismatic dominance and control of its founder, Werner Erhard (aka "Jack" Rosenberg). Erhard was by many accounts dictatorial and was the central defining element of EST, not unlike many so-called "cult leaders." It should also be noted that many of the complaints that I have received since 1983 about both EST and later Landmark Education are similar to those that I have received about groups called "cults" -- including complaints that attendees become extremely obsessive about and dependent upon the group, often leading to the exclusion or isolation from family, old friends or a spouse, and to estrangement from anyone critical of the group and/or who seriously questions its actions. Participants also

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March 16, 2005

seem to employ a repetitive group jargon that is filled with thought-terminating clichés, which often appear to replace independent, critical thinking. Having noted these disturbing parallels, it is my opinion that, since the departure of Werner Erhard as its leader, Landmark cannot properly be seen as a classic personality-driven "cult."

However, based upon the repeated and serious complaints I have received about Landmark Education, its programs and courses from families, former participants and other concerned individuals, I would not recommend Landmark to anyone under any circumstances. I regard Landmark programs as potentially unsafe, and given its deeply troubled history of personal injury claims, lawsuits and bad press, Landmark remains a very controversial organization."

- Defendants would also include hyperlinks to further information within the above statement:
 - For example "coercive persuasion" would be linked to <http://www.rickross.com/reference/brainwashing/brainwashing.html>
 - "mass marathon training" would be linked to <http://www.rickross.com/reference/brainwashing/brainwashing9.html>
 - "classic personality-driven 'cult'" to <http://www.rickross.com/reference/brainwashing/brainwashing1.html>
 - "serious complaints" would be linked to discussions within the Open Forum message board.
 - Both EST and Werner Erhard would be linked to pages for further information; specifically Erhard would be linked to <http://www.rickross.com/reference/est/est2.html>

- Your point #2: Subject to the qualifications below, defendants would be prepared to post (in their entirety for the requested 5 years) the four articles you have attached. They would be posted as "Special Reports" on the Landmark Education page (see the "Topics" box at <http://www.rickross.com/groups/landmark.html#Special%20Reports>), in attributed-date order, and each would be preceded by a disclaimer along the following lines:
 - "This document is posted at the Ross Institute database as part of a legal settlement entered into with Landmark Education, and at Landmark's request. Inclusion of the document within the database does not denote that the Ross Institute, its Advisory Board and/or Rick Ross endorse or support in any way the views expressed by the document's author. Please note that additional information is available within this database that may directly contradict and/or reject the conclusions expressed within this document."

March 16, 2005

- The link "*Is Landmark A Cult?*" (see Point #1) would appear immediately below the above disclaimer.
- Before posting each of the four articles, we will need the following information about the authors, and their relationships, if any, to Landmark:
 - Whether the author was paid or compensated in any way by Landmark or any of its affiliates;
 - The nature, if any, of the author's personal involvement with Landmark and/or EST;
 - CV or similar documentation establishing the author's expertise and professional background, including publications and prior experience, if any, as an expert witness.
- Relevant information on these subjects will follow each posted article, and will, where appropriate, include hyperlinks or other references.
- Since the "Talent Foundation" material is less a scientific study measuring objective results than an opinion poll reflecting subjective anecdotal testimonials, a final note will make this observation, and might also include relevant hyperlinks and/or references.
- Your point #3: We are uncertain what you mean by "separate the [EST] section," since it is already "separate." In any event, the site must retain its ability to discuss the historical relationship between EST and Landmark, and to permit non-party posters to do so.

As I have previously made clear, if this matter is to be resolved, Landmark must do far more than simply withdraw its complaint. Indeed, in the event that the parties fail to agree upon terms for a negotiated settlement, defendants will vigorously oppose any attempt by Landmark to withdraw the complaint prior to adjudication of defendants' anticipated motion for summary judgment.

Accordingly, defendants will agree to your proposal, as qualified above, if Landmark agrees to the following:

- Landmark will prepare a sworn statement, for posting on defendants' website, providing the following information:
 - The number of complaints it has received from Forum attendees during the past 5 years, concerning either the manner in which the attendee was treated by Landmark, or negative psychological impacts the attendee attributes to participation in Landmark's programs;
 - Identification of all personal injury suits for physical or emotional harm, including wrongful death, filed against Landmark since its inception (including title of case,

March 16, 2005

- court, and docket number), and the results of each such suit (including disclosure of terms of confidential settlements if adverse parties will agree to such disclosure);
- Identification of all suits Landmark has filed against the media for libel or product disparagement (including title of case, court, and docket number), and the results of each such suit (including disclosure of terms of confidential settlements if adverse parties will agree to such disclosure);
- Landmark will acknowledge, through a statement signed by Art Schreiber for posting on defendants' website, that each of the following is either unquestionably true, is a non-defamatory statement, or is a non-actionable statement of opinion (although Landmark may express its disagreement with non-defamatory statements and opinions):
 - True statements:
 - That the mental health of some participants has deteriorated or unraveled after attending Landmark's programs;
 - That some people have suffered psychiatric breaks after participating in Landmark's programs;
 - Statements of opinion:
 - That certain of Landmark's practices are "cult-like" and that its programs have "cult attributes";
 - That certain persuasion techniques and methods used by Landmark are cult-like, and that Landmark's programs have attributes that people ascribe to cults;
 - That some participants in Landmark programs become "Landmark junkies";
 - That some attendees at the Landmark Forum characterize their experience as enduring days of physical and emotional discomfort, during which they are subjected to constant sales pitches not unlike a timeshare seminar;
 - That some attendees characterize Landmark's conduct of the Forum as "bullying" and "humiliating";
 - That some Forum participants who want to leave perceive themselves to be met with "guilt, manipulation and implied threats, and that some who do leave perceive themselves to be harassed by Landmark representatives seeking to convince them to return to the program;
 - That Landmark's programs make a deliberate assault on your mind;
 - That some Forum participants perceive themselves to be subject to total control from the moment they enter the program room;
 - That Landmark's programs are fake and unscrupulous;
 - That Landmark's techniques are a form of "brainwashing" or "mind control," and make participants vulnerable to suggestion;
 - That "minds are conditioned by Landmark";

- That Landmark's programs have disturbing parallels to what has been described as thought-reform or brainwashing;
- That some consider Landmark's programs to be verbally or emotionally abusive;
- That Landmark's programs require participants to place a childlike trust into the group's facilitator, making them very vulnerable;
- That the Landmark Forum is a very stressful process that is not for everyone;
- That Landmark's philosophy contradicts what many people believe about humanity;
- That Landmark's programs are dangerous and destructive;
- That Landmark's programs cause some participants to suffer financial hardship, destroyed relationships and/or ruined careers;
- Non-defamatory statements:
 - That the Forum uses bright lighting with no windows, doesn't allow food or drink in the room, and requires long hours;
 - That participants in the Forum are instructed "not to take any medication" during their three-day participation;
 - That participants in the Forum are not permitted to be alone for long periods of time or to deviate from Forum rules in any manner;
 - That Forum representatives exhibit a reluctance to allow toilet breaks;
 - That some attendees at Landmark's programs had difficulty understanding Landmark's rules or representations concerning tuition refunds.
- Landmark will execute a general release of defendants, including a prospective release of liability for any statement posted on defendants' website written by anyone other than defendants, unless Landmark can prove that the statement was in fact written by or directly instigated by defendants, or otherwise satisfies the requirements for establishing liability under The Communications Decency Act, 47 U.S.C. § 230.
- Finally, Landmark will reimburse defendants' *pro bono* counsel \$100,000 toward the cost of defending this suit.

Deborah E. Lans, Esq.
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March 16, 2005

I look forward to hearing from you.

Very truly yours,

/s/ Peter L. Skolnik

Peter L. Skolnik

PLS:mam

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03/16/05 1608512.02

EXHIBIT B

Raymond D. Fowler, Ph.D.
4020 Linnean Avenue, NW
Washington, DC 20008

Report on the Landmark Forum

The following report represents my own professional opinions and does not in any way reflect the views of any university or organization with which I am or have been associated. I am not submitting this report as a representative of any organization.

I received my doctorate in clinical psychology from the Pennsylvania State University in 1957. My experience includes: 30 years as a professor of psychology and 18 years as department head at the University of Alabama; 2 years as department head at the University of Tennessee; 30 years teaching psychotherapy and psychological assessment and a similar period as a consultant and expert witness on psychological and management matters. For the past 10 years I have been the Executive Vice President and Chief Executive Officer of the American Psychological Association. I am a Fellow of the American Psychological Association, the Division of Psychotherapy and the Society for Personality Assessment. I am past president of the Alabama, Southeastern and American Psychological Associations. I hold Psychology license #4 in the State of Alabama.

At the request of the Landmark Education Corporation, I undertook an evaluation of the effectiveness, safety and appropriateness of the procedures followed in conducting the Landmark Forum program. As background for my evaluation, I attended the Landmark Forum on May 7, 8, 9 and 11th, 1999. In addition, I reviewed all of the materials used to screen participants, including the extensive application form which Landmark requires all participants to complete; the Policies and Procedures followed by staff in conducting the program; and the forms used to obtain information from health care professionals when such information is needed.

The report is in the form of several questions that might be raised about the Landmark Forum, followed by answers that reflect my experience and my professional opinion.

Is the Landmark Forum harmful? I saw nothing in the Landmark Forum I attended to suggest that it would be harmful to any participant. The program is designed for reasonably healthy and effectively functioning individuals and participants are carefully screened to assure that they are appropriate for the program. The Leader was pleasant and professional in his interactions with participants. At no time was he judgmental or hostile to any participant. On the contrary, he was sensitive and adept in handling the reactions of the participants to topics under discussion. Since some participants were frankly discussing unhappy or unsuccessful life experiences such as painful experiences or troubled relationships, some people expressed sadness, and there were some tears, but these were handled well by the leader, and there were no incidents of disruptive or dysfunctional emotionality.

Participants were informed that leaving the program at times other than scheduled breaks or otherwise missing parts of the seminar would detract from the experience, but there was no coercion to remain in the room, and it was not unusual for participants to leave and return. Participants were not pressed to give personal information, and some chose to speak rarely if at all, apparently preferring to listen and observe.

My informal observations of participants during the sessions and in informal conversations during breaks suggested to me that people felt interested and relaxed and challenged to think deeply about themselves. I did not experience any personal sense of harm, danger,

threat, or intimidation at any time, and I saw no evidence that anyone else did. In my opinion, there was nothing in the Landmark Forum program I attended either in its content or the way in which it was conducted, that could be considered as harmful to participants.

Many participants expressed the feeling that participation in the program had been beneficial to them in understanding themselves and their relationships. Some participants, who had attended other Landmark Forum programs in the past, said that their lives had been improved by the experience, and many new participants came because friends and relatives had told them that it had been a beneficial experience for them.

Is the Landmark Education Corporation's policy and application of screening appropriate and sufficient? The Landmark Forum is designed for people who are mentally and physically reasonably healthy and who are handling their life situations effectively. The screening procedures are designed to prevent the participation of individuals whose coping skills are compromised by mental or physical illness or other causes. The screening procedures, which are extensive, range from a self-report questionnaire, through telephone interviews to face-to-face interviews with the Program Leader.

Application Questionnaire. The application questionnaire clearly informs potential participants that the Landmark Forum is intended for people who are well, that it is not intended as therapy or treatment for any disorder and that participants are responsible for determining whether they are physically, mentally or emotionally prepared for the experience. Individuals with a history of mental illness or severe emotional problems are instructed to consult with a mental health professional about their ability to handle stress. Those who have questions about their ability to handle stress are recommended not to participate in the program.

In addition to standard identifying data, the questionnaire requires the participant to describe any past or present mental health problems and hospitalization, treatment or medication for mental or emotional problems.

Screening Procedures. Any answers on the application form that suggest any current or past mental or emotional problems are the subject of a telephone interview by a staff member. For each of the questions involving mental health issues, the manual used by the staff includes highly detailed instructions for handling answers that might be given by the applicant. Any response indicating that the applicant has experienced mental health problems in the past or present triggers very specific questions on the part of the interviewer. If an individual has had difficulties and/or treatment in the past and is currently experiencing difficulties, or if the applicant is taking psychoactive medications, the interviewer calls back for a second interview and recommends against participation in the Landmark Forum. Those who insist on participating despite the recommendation are required to get a signed consent from a licensed mental health professional. Landmark Forum staff members do not give medical or mental health advice to participants or prospective participants: staff members who do screening base their statements and questions on the advice of appropriate professionals and on the manuals developed with professional consultation.

Applicants not screened out by the above procedures are asked to inform the Landmark Forum of any changes in their mental and emotional condition. Staff members are provided with detailed procedures for handling any atypical events that might occur during the program, such as a sudden illness, although such events are apparently extremely rare.

Program leaders, who are well trained and highly experienced, provide the final level of screening. If there is doubt on the part of any staff member about the appropriateness of an applicant to participate, if the applicant has been approved on a legal waiver or if any

applicant or participant exhibits behavior that raises questions about her/his emotional well being, the Program Leader is authorized to interview and, if necessary, reject the applicant as a participant.

In my opinion, the application form is well designed to inform applicants of the nature of the program and the requirements and responsibilities of a participant. The screening questions are well crafted to identify mental and emotional problems or other disqualifying conditions. Of necessity, the application form depends upon honest answers from the applicant. Although individuals who fail to disclose relevant information could pass through the screen, they would have to do so knowingly and would have to falsely sign an informed consent form stating that all of their responses were accurate and true.

The instructions to staff for telephone screening are very elaborate and thorough. Although some judgement is required on the part of the interviewer (judging the applicant's current effectiveness in dealing with life) most of the decisions are precisely programmed by the instructions and require little or no judgement on the part of the interviewer, and certainly no diagnostic skills or training. Again, assuming reasonable honesty on the part of the applicant, I believe the probability is very high that the existing procedures are appropriate and sufficient to screen out applicants who should not participate.

Is the Landmark Forum a form of psychotherapy? Does it use the techniques of psychotherapy? Do Landmark Forum Leaders need to be trained, licensed mental health professionals?

It is clear from the stated goals of the program and from my observations of how it operates that the Landmark Forum is nothing like psychotherapy. In my 40 years as a psychologist, I have studied psychotherapy extensively, have taught and supervised hundreds of students, and I am a Fellow of several organizations on psychotherapy. I consider myself very experienced in understanding what psychotherapy is about. What I experienced and observed at the Landmark Forum I attended was nothing remotely like psychotherapy as I know it. In general, I would consider the content of the program to be philosophical rather than psychological in nature: participants are challenged to examine their ways of thinking much as they might be in a philosophy course. Language, relationships and communication patterns are examined from that frame of reference and not from the point of view of psychopathology or mental dysfunction.

Landmark Forum leaders are not, and do not need to be, psychotherapists or psychologists, and the program could in no sense be regarded as psychotherapy or as a part of the discipline of psychology. What the leaders are doing in their interactions with participants is more closely akin to the kind of sensitivity training given to educators and Peace Corps volunteers to help them become more aware of how they interact with others. It was not much different in depth, intensity and self-disclosure than the conversations among close friends or family members might be. The intense relationships that often develop as a part of psychotherapy (sometimes referred to as transference) were nowhere in evidence, and there hardly could have been in such a large group with such distant and brief interactions with the leader.

It would be inappropriate and inaccurate to identify the Landmark Forum program as a form of psychotherapy. Individuals in psychotherapy might find the Landmark Forum experience interesting and stimulating, but it would hardly cover the issues typical in psychotherapy. Since the Landmark Forum was neither designed nor intended to be psychotherapeutic in nature, and participants are clearly informed of that at the onset, individuals in need of psychotherapy should not expect to obtain psychotherapeutic benefits as a result of participating in the Landmark Forum. No one seeking psychotherapy should expect to find it in a Landmark Forum.

Psychotherapists and Landmark Forum leaders are different in training, orientation, techniques and skills. I suspect that some psychotherapists would, with appropriate training, make good Landmark Forum leaders and that some Landmark Forum leaders would, with proper education and training, make good psychotherapists, but neither needs the training or skills of the other to do their respective jobs. Since mentally ill and emotionally disturbed individuals are screened out of Landmark Forum programs and since the techniques of Landmark Forum leaders are not those that would be likely to assist the mentally ill, I can see no reason for Landmark Forum Leaders to be licensed mental health professionals.

Is the Landmark Forum or the organization that delivers it, Landmark Education Corporation, a cult or anything like a cult? Are people at risk of "brain washing", "mind control", "thought reform", or other forms of manipulation?

The Landmark Forum has none of the characteristics typical of a cult. Most cults have a charismatic leader or leaders who maintain, with their members, a strong relationship over a prolonged time period. Cult members become very emotionally attached to their leaders, even if they do not come in close contact with them. They are encouraged to follow the instructions of the cult leader and to devote significant amounts of their time and resources to activities directed by the cult leader. Typically, cult members remove themselves from their families and usual environments and undergo periods of social isolation, peer pressure to conform, and significant modification of their behavior, lifestyle, dress, food and relationships. None of these characteristics are even possible in the relatively brief encounters that take place at a Landmark Forum; the level of intensity and duration are not sufficient to encourage the intense, addiction-like behavior said to be exhibited by cult members.

In my opinion, "brain washing", "mind control" or "thought reform" are very dubious concepts. There is little evidence to support that they ever take place except in situations in which extreme coercive pressure is put on a vulnerable person in circumstances of isolation, deprivation, and mistreatment such as a prisoner of war situation. The relatively brief encounters in a pleasant environment that characterize the Landmark Forum program could never effect such extreme and unwanted changes in personality and behavior as those attributed to the various forms of "mind control".

In my opinion, the Landmark Forum does not place individuals at risk of any form of "mind control" "brainwashing" or "thought control."

In my opinion, the Landmark Forum is not a cult or anything like a cult, and I do not see how any reasonable, responsible person could say that it is.



Raymond D. Fowler, Ph.D.
November 30, 1999

EXHIBIT C

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A Shortcut to Motivated and Adaptive Workforces

June 2000

Foreword

You say that your organisation needs people who can learn and adapt quickly, who can solve problems without being told to, who can come up with creative ideas and not wait for others to do it for them. People with a positive, responsible attitude.

You also say that you need a reliable return on the time and money you invest in your people. Too much money is already invested in skills training, yet most of the expected return is not there. So, what is missing? The Talent Foundation believes that today's training strategies are sophisticated and well-thought through, but they have a critical blind spot—the learner's motivation to learn.

Without appropriate 'readiness' to learn, training investments are destined to fail.

Over the last few months, The Talent Foundation engaged several organisations and individuals in researching the issue of motivation to learn. We scanned several factors that affect motivation and found amazing results in the area of emotional intelligence (EI). In essence, those individuals who have developed EI were significantly more proactive towards learning and had higher 'readiness' towards adaptation than those from a control group.

This leaves organisations with two options: Either recruit only people with higher levels of EI or develop the workforce they already have. Can people be trained in emotional intelligence? Fast? What difference will it make?

Our research shows that workers trained in emotional intelligence techniques have significant advantages in:

- "Can do" attitude – confidence in the contribution they can make at work, attitude towards finding opportunities to use their skills at work
- Willingness to learn – positive attitude towards learning
- Confidence on what and how to learn
- Win-win attitude regarding training provided by employers

This research compared 100 people who attended a three and a half day course, with 100 people from a demographically similar control group who did not. The results are attached (I have highlighted the key elements to help you skim through).

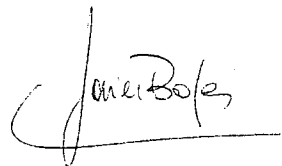
Over the next months we will extend this research to other programs, identifying the ones that create better results – faster. Also, we understand that 'readiness' to learn is not sufficient. Competence to learn and 'big picture thinking' are also strategic skills for adaptive organisations. We will soon pilot a comprehensive strategy at a call centre, including all 3 (readiness, competence to learn and big picture thinking) aspects and will measure key performance indicators to test the value of the solution.

Lastly, I want to acknowledge Astute Solutions (for conducting such a professional piece of research), Landmark Education (for letting us 'challenge' their product) and the 200 individuals who gave their time and honest answers for this work.

I am delighted to share the first part of our research on motivation with you. It is my hope that not only will it bring insight but that it will encourage action as well.

Let's keep in touch.

Kind regards,



Javier Bajer
Chief Executive
The Talent Foundation

Background and Hypothesis

In today's economy, individual and organisational ability to learn and adapt is key for success. Organisations are focussing their efforts in creating good learning for their employees, using best possible strategies including web-based 'just-in-time' delivery of training. Consistently we see that good intentions get stopped at the receiving end of the learning equation. People cannot be forced (or bribed) to learn and, in most cases, learning is perceived as a threat or at least as an inconvenience, not allowing the natural learning 'engines' do their job.

Our belief is that individual's emotional intelligence is the major driver for that ability. Workforces where individuals share this ability will be far more adaptive and responsive to continuous change. They will learn easily and faster than others. They will not need the 'push', but will 'pull' for learning and development opportunities.

So the question is two-fold: first, whether emotional intelligence makes a difference for learning 'readiness' and second, whether these skills can be developed in people or is a condition from nature.

Methodology

In this study we compared two similar groups of people (mainly) in employment. Group A was randomly selected from a database of individuals who have attended an EI / motivational course over the last 2 years¹. Some of these people have gone on to undertake other courses, although exactly how many were taken did not form part of this enquiry.

Individuals in the control group (B), have not experienced any similar training. This group was matched up to the condition group in order to allow valid comparisons between them (this required a significantly larger control group). However, only the 100 respondents which most closely matched the demographics from those in group A went forward into the research shown below.

Researchers conducted one hundred telephone interviews per group. All samples were UK based.

The subset chosen were participants whose surnames began with the letter S and lived in London. The control group was taken from a series of London telephone directories, all of whom also have surnames beginning with the letter S and who have either an 0208 or 0207 telephone number. (In some cases only a mobile telephone number was listed, in which case the address was used as corroboration).

¹ The course used for this initial part of the research was The Landmark Forum, widely offered throughout major cities by Landmark Education Corporation, a global organisation with many years of experience in this field (www.landmarkeducation.com, or phone +44-20 7969-2020 in London). For the business application of this technology, you can contact Norman Dayron at Landmark Education Business Development on +1-415-616-2478.

Detailed Results

#	Question	Options	Group A ²	Control
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I will read you a statement and give you four options which I'd like you to put into your order of preference. The statement is about individual learning styles. Simply put the statement is

1	I learn best from	Internal Courses	4th	3rd
		External Course	2nd	1st
		Self study	3rd	4th
		Other People	1st	2nd

Please think about the last two or three things you have learned or skills you have acquired. These can be anything from learning a new computer programming language to working out how the tube system works, or learning snap, bridge, flower arranging or anything else. Again, using the same options please tell me where you learned these. Was it from:-

2	Internal Courses	4th	3rd
	External Courses	2nd	4th
	Self study	3rd	2nd
	Other People	1st	1st

Please think about the types of skills that are normally taught at Company sponsored courses (e.g. inter-personal skills, management and organisational skills, time management etc) and the training you have been given.

3	What percentage of what you learn at work do you feel you can apply in your job?		68.4%	62.3%
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4	What percentage do you feel you can apply elsewhere? (home, hobby, etc.)		57.7%	43.4%
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5	Do you believe that the training provided by your employer is beneficial...	to you	7%	3%
		to the company	12%	52%
		to both	81%	45%

6	How much do you feel your own talents are being developed at work?	(%)	52.4%	42.8%
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7	Do you feel the organisation you work for takes Personal Development seriously?	Yes	58%	34%
		No	42%	66%

8	Do you believe you have a unique and valuable contribution to make at work?	Absolutely	69%	30%
		Mostly	26%	48%
		Other	5%	22

² These are graduates from the Landmark Forum that have participated from the course over the last 2 years. Results from groups B and C (graduates from other two similar courses) will be reported when the research is completed.

#	Question	Options	Group A	Control
9	Do you believe you can find and use opportunities to apply your skills at work?	Absolutely Mostly Other	40% 39% 21%	11% 50% 39%
10	If you were looking for a new job now, how important would the provision of Personal Development training be in your choice of organisation to work for?	Absolutely Mostly Other	31% 39% 30%	8% 42% 50%
<p><i>I will read you three statements, to each of which I'd like you to answer either "Yes, I agree", "No I do not agree" or "Don't know":-</i></p>				
11	i. Learning is fun	Yes No Don't Know	88% 7% 5%	64% 24% 12%
11	ii. I know how I learn best	Yes No Don't Know	62% 19% 19%	43% 39% 18%
11	iii. I know what I would need to learn to be more successful	Yes No Don't Know	71% 5% 24%	61% 8% 31%

Primary Findings

Within 2 years of participating from a short motivational course, individuals surveyed showed significantly higher levels of motivation, self-esteem and confidence in relation to their learning and the application of skills at work.

Participants from the course showed a more proactive attitude overall, whether it related to their own learning or their ability to apply new skills at work. Their level of motivation, when compared to the control group, was significantly higher, even 2 years after having participated on the course.

In today's work, being able to relate to learning in a positive manner is key for the continuous adaptation and flexibility of the workforce. More than 2/3 of participants from the course saw training beneficial to both their organisation and themselves. Less than half of those in the control group saw the training they receive as a win-win deal.

Participants that developed EI-type skills perceived learning to be fun (88% versus 64% from the control group), had a higher level of self-awareness (62% versus 43%) and knew what to learn in order to succeed (71% versus 61%).

Almost two thirds of individuals from the course felt they can make a 'unique and valuable contribution at work'. These levels of confidence and self-esteem were quite low in the control group, where only a third of individuals gave a positive answer. This study also shows that those with higher levels of self-esteem are 4 times more confident at finding opportunities to apply their skills and make a difference at work.

'Non-obvious' Findings

From questions 1 and 2, we can see that there is a high degree of 'fidelity' in group A's answers, not observable in the control group (group A gave the same answers to questions 1 and 2). This could be evidence of a higher self-awareness when reporting about learning preferences. In these two questions we can also see that people prefer learning from others and from external conferences rather than from self study or internal taught courses. (1,2)

The final question asked whether respondents knew what they would have to learn in order to be more successful. We would have expected, in the light of all the answers above, that group A would be more positive in knowing what they need to learn, as opposed to the control group. In this case the answers were markedly similar. What was surprising was the high number of group A respondents who said they did not know what they would have to learn in order to be more successful. However,

when asked to qualify their answer, most respondents from group A mentioned that they did not currently know what they would need to learn in the long-term. They mentioned that they knew what their skills gap was today, but did not want to close themselves off from other factors in the future. (11 iii)

Conclusions

Having the right attitude towards learning is essential for the effectiveness and efficiency of the development of new skills. An organisation's ability to adapt depends primarily on each individual's confidence and attitude towards learning.

Based on our findings readiness to learn can be developed through short interventions, such as the one evaluated in this research. Contrary to popular belief that sees attitude as a 'given', where people either have it or not, there is clear evidence that not only good attitude towards learning can be

developed but also that it can be done quickly.

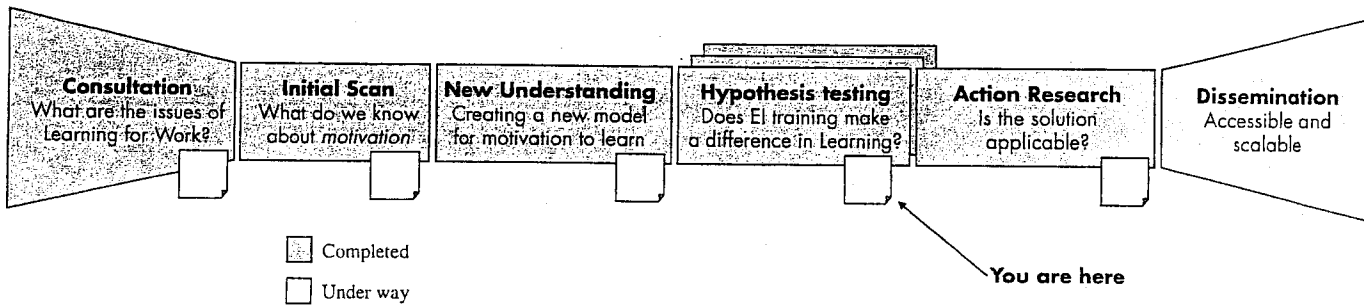
The course in question produced radical and sustained change in the way individuals relate to their own development.

Big Picture and Next Steps

A few months ago, a group of Chief Executives helped us identify the 'hot' issues in their organisations during a **consultation** event at the RSA. We listened carefully because this was going to define

our work agenda. The issue at the top of the list was 'how do you motivate a workforce to learn and adapt'. We took this as our challenge for the first year of the Foundation.

We then **scanned** the world of motivation to learn, extensively. This piece was performed by Bamford Taggs, in London.



We used this research and involved several established experts in the area to help develop a **new understanding** to the challenge of motivation to learn. A new model for learning was agreed:

To use a simple analogy, this model is to learning what a 'primer' is to painting a wall. We believe that learning fails when it is 'painted' over an un-prepared surface. In the case of painting, that surface will not absorb the colour and will eventually peel or rust. Pouring new skills onto people, without developing their readiness to learn and their competence to learn, may be a waste of time and money.

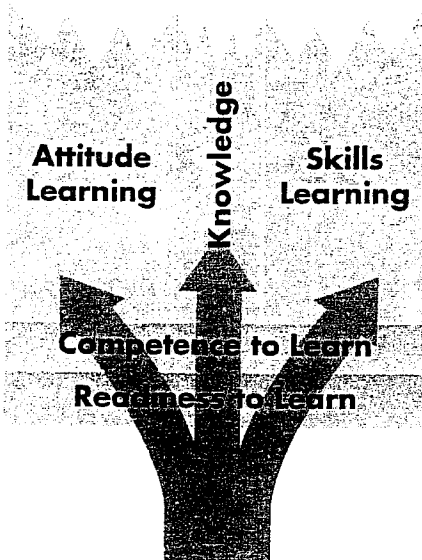
We identified strategies to develop these two layers in the model. This document shows the results from our initial research into Readiness to Learn. Two similar EI courses are being evaluated and a final report will be produced upon completion.

In parallel, we have started our **Action research** phase, where we test the complete model with a group of people at work. We are working with experts from organisations such as London Business School, Plymouth University, Birmingham University, Lincoln University, Landmark Education, ELSIN (European Learning Styles Network) and some large businesses (the test ground) to prove the value of of the model.

We expect this study to support the 'priming' idea for learning, showing that those developing readiness and competence to learn are far more motivated, adaptive and ultimately productive than their control group peers.

Up to one hundred performance indicators (from productivity to shareholder value) will be recorded before and after the program and then all organisations involved will jointly report the experience in several business and academic publications.

For The Talent Foundation the challenge will not stop there. We will work with campaigning organisations to package and **disseminate** the solution. We will then go back to the original 'problem' list, check that our work is done and then go to the next item.



Appendix A

Questionnaire used in the research project

QUESTIONNAIRE – All groups

Introduction

- ☉ Ask to take 8 -10 minutes of their time.
- ☉ Explain the purpose of this study (we are conducting market research, not selling you something). "We would like to make the world a better place and would like your help".
- ☉ Introduce self and the Talent Foundation.
- ☉ 'The Talent Foundation is a global organisation committed to the development of Talent throughout the world of work'.
- ☉ Assure the confidentiality and anonymity of the study.

The results will be available on www.talentfoundation.com at the end of March / beginning of April.

Profile validation

1	Are you working at the moment?	Yes No - Please answer the following questions using your previous employer as the guideline.
2	Are you employed or self-employed? (Contract work to count as self-employed)	E S
3	Do you work for a public organisation (including charity) or for a private company	Public (e.g. Government department / charity) Sole Trader Private Company (limited or plc, includes partnerships)
4	Size of the Company you're working for	Small (1 – 20 employees) Medium (21 – 200 employees) Large (200+ employees).
5	What position do you hold within your Company	Shop-floor or similar Junior Management Middle Management Senior Management

Demographics

- | | | |
|---|--|--|
| 6 | Gender | M
F |
| 7 | Age Group | 18 – 30
31 – 49
50 + |
| 8 | Level of Education | No formal qualifications
'O' Levels / GCSE's (includes NVQ's)
'A' Levels (includes HND's)
Degree (first and post degree qualifications) |
| 9 | How long ago did you complete your formal education? | Less than 10 years ago
11 – 25 years
26 years or more. |

I will now read you a statement and give you four options which I'd like you to put into your order of preference. The statement is about individual earning styles. Simply put the statement is

- | | | |
|----|--|--|
| 10 | <p>I learn best from:-
And the four options are:-</p> <ol style="list-style-type: none"> i. Internal (company run) courses. ii. External courses
(including night school, conferences, seminars etc). iii. Self study (books, videos, TV programmes etc). iv. From other people, including colleagues at work,
formal coaches, mentors, etc. | <p>Arrange into order of preference.</p> |
|----|--|--|

Please think about the last two or three things you have learned or skills you have acquired. These can be anything from learning a new computer programming language to working out how the tube system works, or learning snap, bridge, flower arranging or anything else. Again, using the same options please tell me where you learned these. Was it from:-

- | | | |
|----|--|--|
| 11 | <ol style="list-style-type: none"> i. Internal (company run) courses. ii. External courses
(including night school, conferences, seminars etc). iii. Self study (books, videos, TV programmes etc). iv. From other people, including colleagues at work,
formal coaches, mentors, etc. | <p>Arrange into order of preference.</p> |
|----|--|--|

(application of skills)

Please think about the types of skills that are normally taught at Company sponsored courses (e.g. inter-personal skills, management and organisational skills, time management etc) and the training you have been given. I will read you both questions to give you time to think and then come back to ask you for your answer:-

- 12 What percentage of what you learn at work do you feel you can apply in you job? (0-100%)
- 13 What percentage do you feel you can apply elsewhere? (home, hobby, etc.) (0-100%)
- 14 Do you believe that the training provided by your employers is beneficial to
- i. you personally
 - ii. the company, or
 - iii. both

NB – the two answers do not have to add up to 100%

(potential)

- 15 How much do you feel your own talents are being developed at work? (0-100%)
- 16 Do you feel the organisation you work for takes Personal Development seriously? Y
N

For the next three questions I will give you five choices for your answer – these are (read out as per below). Don't worry if you don't remember them – I'll remind you at the end of each question.

(self-esteem)

- 17 Do you believe you have a unique and valuable contribution to make at work?
- Absolutely
 - Mostly
 - It depends
 - Just a bit
 - Not at all

(confidence)

- 18 Do you believe you can find and use opportunities to apply your skills at work?
- Absolutely
 - Mostly
 - It depends
 - Just a bit
 - Not at all
- 19 If you were looking for a new job now, how important would the provision of Personal Development training be in your choice of organisation to work for?
- Absolutely
 - Mostly
 - It depends
 - Just a bit
 - Not at all

(learning)

Now I will read you three statements, to each of which I'd like you to answer "Yes, I agree", "No I do not agree" or "Don't know". Again, I'll read you all three statements first, and then I'll come back for your answer:-

- | | | |
|----|--|------------|
| 20 | i Learning is fun | Y |
| | ii I know how to learn best | N |
| | iii I know what I would need to learn in order to be more successful | Don't know |

Group ID (for everyone to validate group A, and to ensure group B candidates have not inadvertently "slipped the net").

- | | | |
|-------------------------------|--|--|
| For Landmark Graduates | | |
| 21a | Have you completed the Landmark Forum course? | Yes
No (in which case use the questionnaire as part of the control group). Go to 23. |
| 22a | How long ago did you complete this course? | Less than one month ago
Between one and 6 months
Between 7 and 12 months
More than one year
Go to 23 |
| For Control Group | | |
| 21b | Have you heard of an organisation called Landmark Education? | Yes (go to 22b)
No (go to 23) |
| 22b | Have you completed the Landmark Forum course? | Yes (go to 22a, use the response as part of the Landmark population)
No (go to 23) |
| 23 | That concludes the questions we'd like to ask you, once again thank you for your time. Please let me reassure that this research is confidential and anonymous. Before we close, is there anything you would like to ask me? | Q & A. (Free) |

Appendix B

Background information given to respondents.

Background information given to respondents

The Talent Foundation - A global organisation, launched at the Royal Society of Arts on March 20th this year. It envisages a world in which work organisations realise the advantages of developing their employees for the mutual benefit of the individual and the organisation.

The Research Project - This is an exercise in finding out how self-esteem, motivation and confidence can affect individuals in their work environment. This is the first piece of research being carried out on behalf of the Talent Foundation, and is conceived to be the first of several. The results will be available on the Talent Foundation's website (www.talentfoundation.org) after the completion of the research, by the end of March this year.

The Questionnaire - Will take about 8 - 10 minutes to complete, gives multiple choice answers (on the whole) and is totally anonymous, in fact your name will only be used to ensure the correct person is being interviewed.

The Researcher - Ela Grabinska, runs her own Company specialising in research and communications. Will be calling / supervising the research calls. Has worked with both large and small companies, and has over 20 years experience in the field.

EXHIBIT D

**Transforming the Network of Conversations
in BHP New Zealand Steel:
Landmark Education Business Development's New
Paradigm for Organizational Change**

by David C. Logan

Outstanding corporate leaders say that business performance is strongly determined by corporate culture.

Corporate culture change experts and scholars report that transforming a corporate culture takes years, and needs an army of consultants. The reason for this becomes clear when you examine the current models for cultural change. Treating the symptoms has always been the long hard way to health.

The breakthroughs our clients have enjoyed in transforming their corporate cultures are a product of a new paradigm that provides direct access to the causes of corporate culture.

Utilizing this new paradigm, the transformation of a corporate culture is reliably doable in a short time frame, while being built to last.

Steve Zaffron, President, LEBD

The author wishes to acknowledge the efforts of Professors Warren Bennis and Michael Jensen, from the Marshall School of Business and the Harvard Business School, respectively, for their comments on an earlier draft of this case.

Marshall School of Business cases are prepared to serve as the basis for classroom discussion rather than to illustrate either effective or ineffective handling of an administrative situation. This document does not constitute an endorsement or statement of official opinion, positive or negative, regarding the companies discussed in this case.

To order additional copies of this case, contact USC at 1-800-447-8620 or at www-bookstore.usc.edu/course/course-index.html. Professor Logan can be reached at (213) 740-6399 or at dlogan@bus.usc.edu.

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November 6, 1998

At the end of January, 1998, Malcolm Burns sent out the eighth edition of *Leadership Links*, an internal communication tool, to the workforce of BHP New Zealand Steel. It began:

Having spent much of the past week...around the plant and talking to many people, I have a really good feeling about New Zealand Steel and its future. There is no doubt, at least in my mind, that the majority of employees are totally committed to playing their part in making this business so robust and sound that it will be able to withstand any threat to its future that external factors may exert.

It is interesting to reflect on the change from the general feeling of pessimism which was almost pervasive at New Zealand Steel just two years ago to the optimism which abounds today.... Our collective experiences of the past year also seem to have created an environment in which we are able to recognise opportunities and are searching for ways to translate those opportunities into realities....

I really believe that we have made a genuine paradigm shift at NZS and that we are now on the threshold of really capturing the opportunities available to us.

As Burns typed the words, he reflected on the dramatic transformation of a troubled company. And he knew that in a month he would leave BHP New Zealand Steel to become president of another BHP operation. He felt that he was leaving the operation in a great state.

NEW ZEALAND STEEL

New Zealand Steel, founded in the late 1960s as a private company, began galvanizing steel imported from Japan and then selling it to industries within New Zealand. Through its early years, the company experimented with ironsands—a plentiful resource located in sand dunes along the beaches south of Auckland. After several successes, the company pioneered a commercial process using direct reduction to extract iron from ironsands. Soon after, the New Zealand government took over the operation and sought to use the extracted iron in the manufacturing of steel. The government's goal was to use the naturally abundant ironsands to produce steel for domestic industry at a price that would also compete on the world market.

Through the 1980s, the plant was plagued with industrial relations problems, including frequent union-management conflicts. In addition, the process of extracting iron from ironsands was expensive, resulting in expensive steel.

The 1970s and 1980s were difficult years for the New Zealand economy. In the early 1970s, energy prices soared as Great Britain entered the EEC, bringing about a severe economic recession. Thousands left the country for Australia. The response of Prime Minister Robert

Muldoon was to intervene in the economy on an unprecedented scale, including borrowing funds from overseas, increasing government deficits, financing large industrial developments, freezing wages and prices, and regulating interest rates. In 1984, the country elected a new government that began to reverse these policies. Restrictions on free enterprise, that had been imposed over 50 years, were dismantled. Agricultural subsidies were eliminated; income tax rates were reduced; controls on wages, interest rates and foreign exchange rates were lifted.

During this period, state-owned enterprises, including New Zealand Steel, were privatized. New Zealand Steel found itself in the unfortunate situation of having to compete with imported steel that was less expensive and of better quality than the steel it could produce. Yet the company retained its exclusive license with the New Zealand Government to mine ironsands until 2066. Because of these problems, the company quickly went through several ownership changes until BHP acquired a 31% interest in 1989 and a controlling interest in 1992. BHP obtained complete ownership in 1996.

When BHP took over control of the plant, it had several goals: resolve the technical problems associated with processing ironsands, increase the volume of steel through process streamlining, and cut costs.

BHP

Headquartered in Melbourne, Australia, Broken Hill Proprietary (BHP) is one of the world's largest diversified resources companies, with operations in more than 70 countries. In 1997, the company employed more than 61,000 people with operating revenue of US\$17.03 billion. In terms of market capitalization, BHP was the largest company in Australia until December, 1997, when it was overtaken by National Australia Bank.¹

BHP began making steel in Australia in 1915. It is the sole integrated producer in Australia of basic iron, raw steel and related steel products, supplying about 74% of Australia's steel requirements. In 1997, BHP Steel had a worldwide operating revenue of US\$6.27 billion, earning a profit of US\$101 million.²

OPERATIONS OF BHP NEW ZEALAND STEEL

BHP New Zealand Steel is New Zealand's only fully integrated steelmaker.³ The company has a mine at Waikato North Head in which ironsands are extracted by excavators on a conveyer, and then processed by magnetic and gravity separation. The extracted iron (59% concentration) is transported to the steel mill in Glenbrook through an 18-kilometer pipeline. To extract one million tons requires the extraction and processing of 4.9 million tons of ironsands.

¹ Mark Westfield, "Big players get bigger." *The Banker*, December, 1997. No. 862, Vol 147, Pg. 47.

² BHP Annual Report, 1997.

³ "S&P Financial Analysis—Broken Hill Proprietary Co., Ltd." *PR Newswire*, December 11, 1997.

The Glenbrook steel mill is located 50 kilometers south of Auckland. The mill uses a direct reduction process followed by electrical melting to produce molten iron, which is then used to create various steel products. In 1997, BHP New Zealand Steel produced 641,000 tons of steel, which satisfies between 55% and 70% of the New Zealand requirements; 67% of the steel was exported to the United States, Australia, Japan, Pacific Islands, Papua New Guinea, South East Asia, and Canada.

THE CRISIS AND THE RESPONSE

In 1994, BHP named Malcolm Burns as Managing Director of New Zealand Steel. Before taking over the helm at New Zealand, Burns had almost 40 years with BHP, serving in a variety of prestigious management positions. Most recently, he was the group general manager of the six underground BHP coal mines in the Australian state of New South Wales.

Burns' mandate from BHP was to return the operation to profitability. This was a difficult assignment, considering that the operation was built on shaky assumptions about the cost and time required to process ironsand, and the view that the New Zealand Dollar would remain low. Burns describes the problems at New Zealand Steel this way:

New Zealand Steel is a paradox. The plant is too small to benefit from large economies of scale, so its steel is relatively expensive. Yet the plant is too big for New Zealand. In the steel industry, it is very unusual for a plant to export the bulk of its product, but New Zealand exports two-thirds of its steel. We're unaware of any other steel operation that even comes close to that ratio.

So why did he accept the challenge to turn around the operation? "My life has been in steel, and I enjoy a good challenge," he said in response to the question. "Besides, there was a job to do."

According to Ian Sampson, then General Manager of Human Resources, Burns' strategy was to "get the tons [of steel produced] up and the costs down." He planned a series of process improvement techniques and a round of downsizing to accomplish these two objectives.

The initial plan was to reduce headcount from 1600 to 1200 (primarily through voluntary layoffs), and to cut costs by NZ\$50 million.⁴

In addition to traditional cost cutting and process improvement, the senior management of BHP New Zealand Steel began a series of integrated change processes. These included bringing in Kepner-Tregoe—which focused on middle management, providing rational process tools and promoting employee involvement—and the Australian associates of the Santa Fe Institute, who

⁴ Frank Haflich, "BHP Steel Begins Restructuring." *American Metal Market*, April 30, 1997. No. 83, Vol. 105, Pg. 1.

helped to integrate system thinking into the company. In addition, process improvement initiatives and cost cutting measures were put in place.

From 1995 to 1996, Burns' strategy began to pay off. By June of 1997, the workforce had been reduced by 25%.

While these approaches helped to reduce costs, improve business processes, empower executive planning, and focus on rational system thinking, it wasn't enough to dramatically change the culture or move past all the tensions, pessimism and conflict that permeated the workforce. Ian Sampson notes that if the company didn't find some way to move past these stubborn problems, the other interventions wouldn't be enough. "We still weren't viable," he recalls. The external environment, including a strong New Zealand Dollar, was still unfriendly to the company.⁵ (See **Exhibit #1** which details the fluctuation of the New Zealand Dollar.)

Sampson adds:

When you think about it, we were expecting the impossible from the employees. Headcount was going down, change was everywhere, and the business was built on shaky technical assumptions. It was widely known that we might close down entirely. And yet we needed people to become proactive, positive, energetic, and to dramatically change their relationships with each other.

Several members of top management believed that two outcomes were missing from these current change initiatives. First, there still wasn't a "must do/can do" mindset in the company. Second, the leaders and employees still hadn't been "unlocked."⁶ Sampson asserted: "The pull of the past was stronger than the pull of the future, and that had to change."

In late 1994, Sampson approached Burns about hiring Landmark Education Business Development (LEBD), an international consulting firm.

LANDMARK EDUCATION BUSINESS DEVELOPMENT

LEBD's parent company, Landmark Education Corporation (LEC), is known for its public program "the Forum," which is offered through 55 centers or offices worldwide. The Forum promises an expansion in effectiveness and satisfaction in the most basic areas of life—including the daily business of building a career, making thoughtful and intelligent choices,

⁵ Frank Haflich, "Lower Tags Dent BHP Steel Earnings." *American Metal Market*, January 7, 1997. No. 4, Vol. 105, Pg. 2.

⁶ Source: Company documents.

experiencing enjoyment and confidence, relating to family and friends, and having life make the difference you want it to make.⁷

Since 1991, more than 300,000 people have taken The Forum. According to a study by Dan Yankelovich, chairman of DYG Inc., 70% of Forum graduates rate the Forum as one of the most rewarding experiences of their lives.

In 1993, LEBD was founded to offer their technology to business corporations. Steve Zaffron, the president of LEBD and a vice president of LEC, summarizes a fundamental assumption of all LEBD's engagements: "A central premise in our work is that the individuals in an enterprise, and the enterprise itself, have the possibility not only of fulfillment and success, but also of greatness."

This premise underlies a full range of consulting services offered by LEBD, from strategic planning with senior leadership, to building and coaching high-performance executive and management teams, to implementing large scale initiatives in workforce mobilization. LEBD tailors these initiatives to the unique needs of its clients, with a specific focus on performance, agility, and the ability to maintain a competitive advantage. (See **Exhibit #2** for more detail on LEBD's consulting activities.)

Table 1 presents LEBD's approach, which originates from the premise that an organization's corporate culture stems from a network of conversations. Shifting this network of conversations fundamentally alters the nature of the organization, resulting in dramatic organizational change.

⁷ See Karen Hopper Wruck and Mikelle Fisher Eastley, "Landmark Education Corporation: Selling a Paradigm Shift," Harvard Business School case 898-081, November 3, 1997.

**Table 1: Landmark Education Business Development
“Our Approach”**

- We gain access to the source of the organization’s culture by using a new technology that views an organization as a network of conversations.
- A person’s participation in this network of conversations (the organizational culture) shapes their view and their experience of work.
- The way a person views and experiences their work determines their actions at work.
- By impacting the network of conversations in which people participate, you impact the way people view their work– thus impacting their actions.
- Organizational results are a product of people’s actions.

Source: Landmark Education Business Development Documents

Table 2 details LEBD’s “commitments,” which are a basis of all its consulting engagements.

**Table 2: Landmark Education Business Development
“Our Commitments”**

- Impacting short and long term business results.
- Increasing the focus and accountability of the workforce.
- Creating new insights into how people work effectively together.

Source: Landmark Education Business Development Documents

Table 3 describes LEBD’s core competencies. Zaffron and other Landmark executives note that LEBD has shown itself expert in these areas in consulting engagements with many large corporations, including REEBOK International, UNUM (the leading provider of group disability insurance), and public utility Northern Indiana Public Service Company.

**Table 3: Landmark Education Business Development
“Core Competencies”**

- **Ability to manage and facilitate large group conversations to produce new and expanded outcomes and results.**
- **Ability to incorporate all aspects of cultural, business and human diversity into a focus on the business case.**
- **Ability to have union and management step outside their separate, often adversarial roles, and experience themselves as a unified team.**
- **Ability to effectively create and institutionalize corporate values, goals, and objectives.**
- **Ability to uniquely design engagement processes to address specific client needs.**
- **Ability to develop an environment where organizations can effectively design and participate in building futures and develop leadership necessary for implementing those futures.**

Source: Landmark Education Business Development Documents

From participating in LEBD training programs and initiatives, participants realize that a lot of their actions at work are a result of interpretations from the past which then become the basis for many of their choices. These past influences tend to then impact their future choices and behavior. Steve Zaffron points out that people would be more empowered if they examined and altered their interpretations more than they do. “But most people don’t have a way to access their interpretations or change them in a way that makes a powerful difference,” he asserts. Angelo D’Amelio, a senior consultant with LEBD, describes an interaction during one of LEBD’s training programs in New Zealand Steel:

If I make a request to someone in this room—such as “Linda, bring me a glass of water”—those observing are likely to form a particular interpretation or judgment about me. If they are polite, or generous, they may call me “direct.” Or they may have the view that I’m insensitive, dominating, perhaps even a boor. That interpretation isn’t the “truth” about me—it simply reflects an opinion that was formed in response to the behavior they just observed.

In every case, these judgments guide the way we behave toward others. If people observing me conclude that I'm dominating or boorish, they will treat me that way. Then they will speak of me to others in a way that reflects that view, and soon hundreds of people will be treating me like a dominating boor. I'll respond by forming my own views about them—that they're ignorant, thoughtless, or perhaps just gossips.

If we magnify such interactions by the number of people in a given company, we can see that in very little time, thousands of people are investing enormous amounts of time and energy in relating to one another in a particular way. With such attitudes pervading our corporate environments, we are likely to have disputes, complaints, strikes, or a dissatisfied work force. Our interpretations about one another will often lie at the root of those common business problems; yet to us, it will always look as though the other party is the problem.

In this program, people have a chance to step back and recognize the interpretations behind their attitudes and responses toward others. In most cases, seeing the power of their own interpretations allows for a new perspective and freedom. When we recognize that we can choose to interpret the same information in any number of ways, we are freed from our judgments about people and the work situations that have been difficult for us. If people can see me as other than they have, and I can view them as other than I have, our mutual interactions will be transformed. From there, we have an opportunity for enormous strides in team work, collaboration, union-management dialogue, productivity, absenteeism, and other issues that directly affect the profitability of the enterprise.

Zaffron notes that, while the LEBD technology is innovative and practical, its real value is what it can do to impact bottom-line corporate performance and achieve business results. He explains:

Our firm is primarily focused on results; that while we have a reputation and are generally acknowledged as having leading edge ideas as a company that provides transformation, we really don't think the value is in the idea, the real value is in results.

Daniel Yankelovich, chairman of DYG, Inc., from his study of LEBD's approach says:

Management and employees committed to a company's vision make an organization agile, flexible and powerful enough to maintain a competitive

advantage, but few of us know how to generate this commitment. The results of the corporate programs of LEBD in medium and large corporations appear to create an environment where...committed action of employees can be powerfully elicited.

The results of the programs also show exceptional change in those areas of managerial competence where people felt the most complacent—where they thought there was nothing new to be learned. The programs startled them into the realization that constructive self-improvement is possible, often where one least expects it.

One of LEBD's previous major clients was Magma Copper. In 1993, union and management leaders at Magma Copper had made a concerted effort to increase productivity despite a history of hostility and distrust. This effort included hiring Landmark consultants to assist them in formulating a strategic direction for the company, and building an entirely new work culture. Representatives of all the stakeholders and constituencies of Magma, supported by Landmark consultants, worked together to create a new strategic intent and future for the organization, which include goals 15 years out. This became the framework for the enterprise's strategic plan. A unique feature of this strategic planning process was that it continued until all participants were aligned with the commitments, and goals that were being proposed.

While the goals themselves helped to create change in the company, it is the approach that provided a breakthrough for Magma. The process of completing the past, creating a future through spoken and written declarations and commitments, and discussing these until all participants were aligned, was a revolutionary approach for the company. The Landmark initiative was instrumental in Magma in realizing major accomplishments in key areas, including boosting productivity by 86%, cutting production costs by 40%, and appreciating the stock by more than 400%.⁸

In 1995, Magma Copper was acquired by BHP.

LEBD'S ENTRY INTO BHP NEW ZEALAND STEEL

In 1996 Ian Sampson began a dialogue with Malcolm Burns about what could be done to supplement the interventions already underway at BHP New Zealand Steel. Sampson was familiar with LEBD because of its work in Magma Copper.

Sampson recalls his conversations with Burns:

⁸ Source: LEBD Company documents and an unpublished case written by Bob Mueller, who was an executive at Magma Copper. He now works for BHP.

To get the business into a viable state, we would have to do something different, in addition to everything else we were doing. We needed to change how people *were* in the business. I worked with Malcolm to see the possibilities of that. And to try to get the senior management team [Burns' direct reports] to try to understand how people "were" in the business and how they "needed to be."

Burns comments:

Once we got on top of the operational problems, Ian [Sampson] kept bothering me about doing more. He kept talking about how people's relationships had to change. At first, his approach sounded unconventional in the extreme. But to turn around an operation like New Zealand Steel required something radical and groundbreaking.

The initial response to this line of thinking was not entirely positive. "People called it 'wanky HR stuff—soft touchy feely,'" Sampson notes, but adds that this response was based on people's preconceived notions. The management team became decidedly positive as the initiative was implemented.

Sampson describes the turnaround in people's thinking:

I remember a watershed conversation with the senior management team. We proposed to engage LEBD at a cost of a million New Zealand dollars. It was a reasonably significant conversation. I was expecting difficulty because the business was under cost controls at that time. The engineering guy swung the meeting by saying that if we couldn't afford to spend several hundred dollars on each person in the workforce, then the business was truly in very bad state. Shortly after that discussion, we started the Landmark process.

Burns recalls a series of events that brought him into contact with Landmark:

It was fortunate in the extreme. If BHP hadn't bought Magma Copper, we wouldn't have met Bob Mueller [who helped to bring LEBD's approach into several Magma Copper sites]. If Bob hadn't come to Melbourne in 1996 to talk with the BHP Petroleum people, we wouldn't have had the opportunity to begin discussing possibilities for BHP New Zealand Steel.

In November of 1996, Bob Mueller knew what it took to lay the foundation for a transformational change effort to take hold. He ran "commitment sessions," in which 80 managers and union delegates went off-site for two days. The outcome was a document signed by all participants that read:

We are committed to reinventing BHP NZ Steel to build a future which meets the Business, Technical, and Social requirements of a global marketplace.

“This was significant,” Sampson recalls, “because now key leaders were publicly committed. It was a first major step to reducing the pessimism throughout the organization. It said, in effect, that we’re not giving up.”

Burns comments:

We took the attitude that this is our organization, and it’s up to us. If we succeed, we’re going to get the credit. If it fails, we have failed. With the help of Bob and Landmark, this attitude took hold throughout New Zealand Steel.

In April, the top leaders of the company created a document stating their new future. **Table 4** shows the document they produced, which was signed by the top leadership of BHP New Zealand Steel, as well as John Prescott, the Managing Director and Chief Executive Officer of BHP. Their signatures were evidence to everyone in the company that the participants were aligned with the declarations about this future vision.

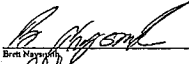
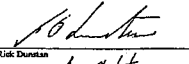
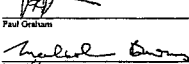
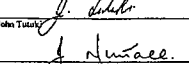
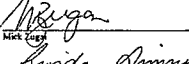
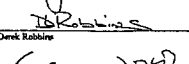
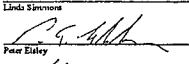
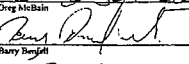
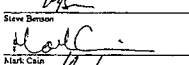
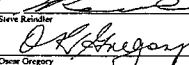
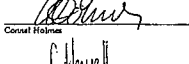
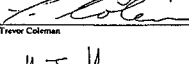
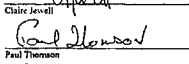
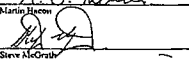
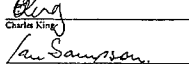
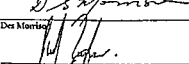
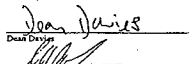
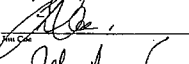

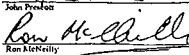


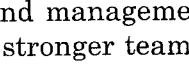
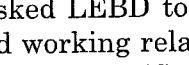
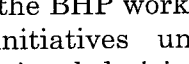
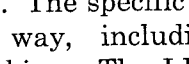
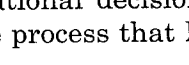
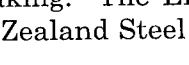
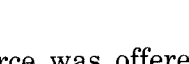

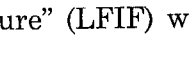
Table 4: New Future Declaration

A NEW ZEALAND STEEL INDUSTRY INTO THE FUTURE FOR NEW ZEALAND

- We are recognised as a company where people enjoy working in a healthy and safe environment, and are striving for cleaner production.
- We are committed to creating a viable future for BHP NZS by meeting financial goals that allow for investment in new technology.
- We meet our customer needs by providing them with consistent quality product, and reliable, responsive service.
- We are committed to everyone having easy access to, and understanding the business information, goals, and performance data of BHP NZS. Stakeholders (e.g. owners, customers, suppliers, employees, and the community) expectations are understood by all.
- We have a highly skilled, highly paid workforce making decisions as if the business were their own.
- We constantly strive to ensure the future of all our operations/plants providing employment opportunities the business can sustain.
- We create and support opportunities for personal development in line with personal and business needs.
- We are recognised as a business that people want to do business with and where people want to work.
- We recognise that continuous improvement is important and we respond positively to necessary change.
- We have relationships based on trust, honesty, and respect.
- We are a valued member of the community.
- We speak with pride about our place of work, defending and promoting vigorously our Company's position and what it is trying to achieve.
- We recognise the need for diversity in our workforce, and that each of us is adding value and making a difference.
- We work in an environment where there is a healthy balance between work and family life.
- We see Leadership exhibited and supported throughout the organisation by many people without formal Leadership roles.

A NEW ZEALAND STEEL INDUSTRY INTO THE FUTURE FOR NEW ZEALAND

We Declare our Commitment to this Future,

 Ben Morgan	 Rick Dunstan
 Paul Graham	 John Tushy
 Malcolm Burns	 John Nuttal
 Mick Legg	 Derek Robb
 Linda Simmonds	 Greg McMillan
 Peter Eshley	 Barry Bengali
 Steve Benson	 Steve Reischer
 Mark Cain	 Owen Gregory
 Coral Hobson	 Trevor Coleman
 Chris Jewell	 Martin Hester
 Paul Thomson	 Steve McGrath
 Charles King	 Des Morrison
 Ian Sampson	 Peter Taylor
 Dean Dyer	 John Ford
 Lisa Stark	 John Prentice
	 Ron McNeill

THE LEBD ENGAGEMENT

Over a period of several months, BHP New Zealand management asked LEBD to construct a consulting engagement that would result in much stronger teams and working relationships in the company, as well as greater ownership within the BHP workforce. The specific goal was an intervention that would complement other initiatives under way, including process improvement, reorganizations, and training on rational decision making. The LEBD change process was a critical part of an integrated change process that New Zealand Steel created and accelerated throughout 1997.

From May through December, the entire workforce was offered the chance to attend one of several training programs called "Leadership for Inventing the Future" (LFIF) which ran for

three and a half days. Each of the LFIF programs was introduced by Malcolm Burns, who expressed his commitment to the company's future and invited people to join in this commitment. The LFIF programs were led by a senior consultant of LEBD. The three and half days consist of an inquiry into the nature of who one is being at work, in such a way that people rethink what is possible for themselves and their organizations.⁹ It is in the form of a dialogue that leaves them enabled to bring forth a new level of commitment and performance in their everyday activities at work. The form of the dialogue is simply a conversation between the leader and the participants.

According to senior LEBD consultant Angelo D'Amelio:

The program is designed as an inquiry. As the dialogue gets going, participants discover things on their own about how they relate to work. They learn about their interpretations. Many are surprised to learn that they don't use these interpretations; these interpretations are *using them*. And they learn how powerful it can be to alter their interpretations, which in and of itself can transform their relationships with their co-workers.

These new relationships can improve productivity and reduce absenteeism, just to name a couple of benefits.

Table 5 presents the "promises" of the LFIF program.

⁹ Source: BHP Company documents.

**Table 5: Leadership for Inventing the Future
“Promises”**

- You will transform your view of what is possible for you as part of a dynamic, powerful, team-based organisation.
- You will expand your natural capacity for leadership, and expand your ability to work with others and be enabled in expressing yourself, your thinking and your ideas.
- The course promises to challenge conventional perspectives and decision-making patterns and to provide new tools, even new uses of language, for affecting significant change.
- You will have an alteration in your relationship at work and an expansion of your satisfaction in being at work.
- The bottom line promise is you will transform who you are being at work.

Source: Landmark Education Business Development Documents

One of the distinctions covered in LFIF is “racket,”¹⁰ which is defined as “a persistent complaint coupled with a fixed way of being.” The participants inquire about their rackets and realize that there is a personal payoff of being this way, including being right, dominating others, and justifying one’s self. But there is also a personal cost, including lessened affinity with others, reduced health and vitality, less fulfillment and satisfaction, and limited self-expression. D’Amelio gives an example:

We might, for example, have a persistent complaint that we are undervalued, underappreciated or underpaid in the work environment *and a fixed way of being* associated with that complaint—that is what we call a “racket.” Many of us seem to feel that way from time to time. At LEBD, we suggest that such fixed ways of beings, and decisions or conclusions, while understandable, are often contradictory to our own best interests—and may be a bit self-indulgent. When we think we’re undervalued we sometimes feel as if we are victims of the “system,” that we deserve sympathy, and we are certainly not to blame for things that may go wrong. In this view, we are justified; those whom we see “in power” are obviously wrong.

¹⁰ “Racket,” as used in this context, is copyright Landmark Education Corporation.

Such a view also prevents us from fully committing ourselves, or expressing ourselves, on the job. We are less satisfied than we might be, perhaps never wholly engaged with our work, and not in full partnership with the people around us. Just as individuals construct such self-defeating views, whole groups, or departments have similar dynamics that are counter-productive to the purposes they serve. Their performance then becomes characterized by low satisfaction, low productivity, little or no self-expression. We have all experienced groups where such behaviors are the norm. At the root of this is often a fear of being criticized or disappointed, or of failing once again, or not being recognized.

In working with our client populations, LEBD consultants support such groups and individuals in getting beyond these fixed ways of being. Participants find that these interpretations are grounded in the past. By observing when and how a particular division or group of people constructed these views, they gain a certain freedom with them and find they have new possibilities and new choices, new levels of creativity and participation in their work environment. Many people find that, for the first time in their lives, they are able to choose living and working freely, in a way that is not dominated by what they wish to avoid.

If people can make such choices for themselves, they can transform their work environments in a relatively short period of time. They find themselves more powerful, their colleagues more supportive, their work more inspiring, and will feel in charge of the direction of their lives at work and also for the valuable role they play in achieving the company objectives.

An example of the rackets revealed from some of the groups include: "We don't have enough resources," "Nobody appreciates HR," "We can't say what we really mean or want to say because we're afraid," and "We don't know where we're heading." The groups then inquired into the costs of these rackets. **Table 6** explores one of the group rackets.

Table 6: Example of a Group Racket

Racket: "They" never empower us

<p>Payoffs:</p> <ul style="list-style-type: none"> • Making "us" right/ making "them" wrong • Self-justification of our group • avoiding the domination of "them" 	<p>Organizational Costs:</p> <ul style="list-style-type: none"> • Power • Effectiveness • Productivity • Business Viability • Morale
---	--

According to D'Amelio:

By exploring the racket and its consequences in people's careers and in the organization, they are left with a choice: perpetuate the racket or give up the complaint and the *fixed way of being*. Altering their way of being allows the possibility of dramatically increasing their effectiveness and directly contributing to the transformation of a department, division an entire organization.

During the LFIF program, it is common for groups to express the view that a racket should not be abandoned because it is based on an accurate and legitimate complaint. Zaffron discusses this issue:

When you look what a complaint really is, you find it is an interpretation concerned with the way things should or shouldn't be. Thus, complaints can't be true or false, or accurate or not accurate, as they include an evaluative component as an essential part of its nature.

Complaints can be useful and powerful tools for change, if one is committed to the complaint and aims to take the appropriate action that moves things toward resolution. But that kind of complaint is not the "persistent complaint" of the racket.

The "persistent complaint" of the racket is designed to appear like something one is committed to but what one is *really committed* to are the payoffs one can get from the racket (i.e., being right, or dominating someone or something, or

avoiding the domination of someone or something, or justifying a position). So when a “racket” is present and in operation, the complaint exists as a smoke screen and becomes part of obtaining a payoff.

The racket is reactive and is designed to allow one to prevail or survive a situation. In an organization, people and groups running rackets create non-productive conversations that negatively impact the ability of an organization to accomplish its goals.

As participants go through program, they are able to step outside their familiar frameworks, old habits and unexamined the assumptions and replace them with new perspectives. This allows them to more effectively take the initiatives to create new commitments. The LEBD approach goes beyond merely making the commitments—it includes having commitments exist in ongoing conversations. **Table 7** describes the complete content of the LFIF program.

Table 7: Description of LFIF Course Content**Day One**

- Introduction of the program by joint union-management partnership; review of New Zealand Steel's goals and commitments with the invitation to join in the commitments.
- Overview of program, including guidelines for effective participation.
- Identifying fundamental concerns that unawaredly affect and impact the way people speak and listen.
- Distinguishing the nature of language and its impact on the life and world of a person at work.
- Distinguishing the conversations that make up the culture of New Zealand Steel and how that shapes people's actions and experience of being at work.
- Recognizing the power of the past and how it shapes and influences the future.
- Learning to determine the facts of a situation independent from one's interpretation of the situation, and what that provides.
- Distinguishing the source of effective action.

Day Two

- Discovering the nature of the complaints that often determine one's capacity to act in the work environment—distinguishing “racket” and its relationship to work performance and capacity to lead.
- Work groups/teams distinguishing their rackets at work, with other groups/teams, and with the organization in a way that leaves the groups/teams with new freedom for effective action.
- Distinguishing “authenticity” in such a way as to allow a new level of self-expression and performance.
- Providing access to new ways of being and relating to others at work that go beyond past successes.

Table 7 continued: Description of LFIF Course Content

Day Three

- Understanding resistance to change in such a way that people become more effective at making change happen.
- Continuing to provide access to new ways of being at work which transcend ways of being from the past.
- Learning to invent new possibilities that actually alter one's view of work.
- Distinguishing the vocabulary of "Committed Speaking and Listening," and learning to use this vocabulary to create projects to produce extraordinary results.
- Translating the results into team accountability and responsibility; group/teams meet again to use insights learned to declare new possibilities and generate new commitments.

Completion (½ day)

- Reviewing key distinctions of the course.
- Groups/teams finalizing declarations and commitments.
- Translating and implementing skills and distinctions into everyday job accountability; individuals declaring new possibilities for themselves at work and generating new commitments for what they are up to in the organization and individuals committing to specific results as an expression of those new commitments.

Malcolm Burns, who attended the first LFIF program as a participant, made two personal commitments during the three and half days. To get them into the "network of conversations" of BHP New Zealand Steel, he sent a memo to all employees declaring these commitments publicly. Table 8 presents the complete memo.

Table 8: Memo from Malcolm Burns Outlining His Promises



7 May 1997

Dave Noble
Snr HR Officer
WA01

Malcolm Burns
Managing Director
BHP New Zealand Steel

Dear Dave

Last Thursday afternoon at the LFIF programme I made two personal commitments which I would now like to provide to you in signed form.

- 1) "I am committed to being the New Zealand Steel visionary."

In making that statement I am not proposing that I alone, or in conjunction with a limited group of people such as the Senior Management Team, will create a vision for New Zealand Steel and then try to force its acceptance through the Company. Rather, my intention is to create an environment whereby everyone in the organisation has the opportunity to contribute their ideas in generating a collective view of what we should aim for in the future.

- 2) "I am committed to fight like an alley cat to secure the future of New Zealand Steel."

This statement means that I am committed to battle on behalf of the employees of New Zealand Steel with anyone who I perceive to be doing things which limit the chance of New Zealand Steel having a successful long term future. Accordingly, I will fight and argue with people inside New Zealand Steel who are not contributing to that future, with people in BHP who doubt our future, with politicians whose actions and policies are damaging to our future, with customers and suppliers who are not supporting us for the future and with anyone else in the community whose words or deeds are likely to create problems for our future.

If you do not think I am living up to these commitments TELL ME!

Regards

A handwritten signature in black ink, appearing to read 'Malcolm'.

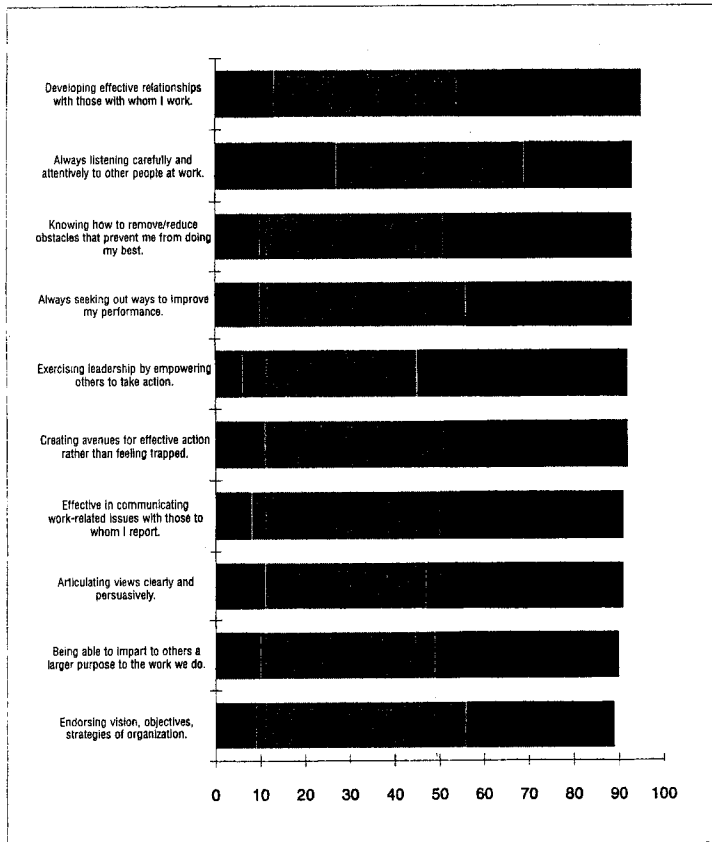
Malcolm J. Burns
Managing Director

RESULTS OF LFIF

From May through December, Landmark personnel led a total of 10 LFIF programs for about 650 employees and managers, resulting in a fundamental shift in which participants were able to identify their entrenched behaviors, old habits and unexamined assumptions and replace them with new perspectives giving the ability to see, act and relate in new ways. **Table 9** summarizes participant evaluations of the LFIF program.

Table 9: Survey of LFIF Participants¹¹

**TABLE 1
CORPORATE PROGRAM / WORKSHOP RESULTS
BHP-NEW ZEALAND CUMULATIVE
TOP BENEFITS RECEIVED OVERALL**



Extraordinary difference
 A lot of difference
 Some difference

** Participants were asked to choose whether the workshop made an "extraordinary difference", "a lot of difference", or "some difference" in their intention to take action in each specific area.

¹¹ This survey was designed for internal use and was not intended to be scientific.

A small minority of participants (about 2%) reported not receiving value from the LFIF program, while the other 98% reported obtaining at least some value from the program. In addition to the numerical data, BHP and LEBD personnel collected comments from LFIF participants. **Table 10** includes a few of these comments.

Table 10: Comments from LFIF Participants

“The communication factors between crews and individuals—if you’ve a complaint with someone or another crew—the communication is a lot more clear now, I feel. Just being able to go and approach someone about a different situation. It’s so easy to do.... You can approach them and sort things out.” —Steel Worker

“[In the LFIF program], I was saying to myself, if this is my business, I wouldn’t hire me. So it got me thinking.... Angelo [D’Amelio] was using the word which I’ve heard but never thought anything about it—integrity. And it...pushed a button. I’d heard it a million times but never took any significance out of it. And if you say you’re gonna do something, you gotta do what you say. Before it was, yeah, I’ll do that. No sweat, mate. Oh shit, I forgot. And that was bringing it around to getting you to look at where you are now.” —Steel Worker

Paul “Stretch” Thomson, the Assistant Site Chairman for the Engineers Union, said this about LFIF:

I felt the course was good. The relationships during and after the course are much better throughout the company. People can communicate easier and freer.

Probably the number one benefit is teaching people to be their word. If they say they are going to do something, they are going to carry it out. That made a difference in relationships at all levels.

People also learned to be involved, not just to be observers. That makes a difference.

Ian Sampson recounts an incident that highlights some of the benefits of the LFIF program:

For me...a story that demonstrates the power of what’s been achieved in the last 12 to 18 month period is to compare the two collective employment contract

negotiations that we had. In 1996, we decided that we would have a very short contract period because of the uncertainty that surrounded the business. Despite the fact that we wanted to have a short contract, we ended up... at the negotiating table for about 100 hours together. It was a very long and difficult and untrusting kind of environment.

If we contrast that with the negotiations that we just completed in October [1997], we managed to get through the negotiation process which covers roughly a double period.... And we were able to complete those negotiations in about a quarter of the time—under 25 hours at the negotiations table. We also were able to achieve some quite significant innovations in the relationship. We created a new... performance-related bonus system that allows us to really focus the whole of the work force, the whole community of people at BHP New Zealand Steel, on the future and on the performance that we're achieving together.

Malcolm Burns comments:

There are many people at New Zealand Steel who say that the Landmark course is one of the most effective and powerful events in their lives, that it helped them transform themselves on the job. It was the catalyst that altered the aspects of people's relationships that nothing else could have altered.

Burns and other leaders in BHP New Zealand Steel assert that LEBD's engagement helped people throughout the organization to change who they were being at work. This shift galvanized the workforce around a new vision of the future that continues to this day.

MEASURABLE RESULTS OF THE INTERVENTION

The set of interventions in the organization produced impressive measurable results. According to BHP personnel, safety performance improved by 50%, key benchmark costs reduced from 15%-20%, return on capital increased by 50% and raw steel produced per employee rose by 20%.¹² According to management of BHP New Zealand Steel, the workforce was also reduced by 25% in a positive, constructive and cooperative manner.

Zaffron reflects on some of the factors that helped make the Landmark intervention effective:

This type of intervention requires strong leadership and strong management. In BHP New Zealand Steel, we were fortunate to have both.

¹² The specific before and after metrics are proprietary.

By the end of 1997, Burns felt he had accomplished what he had set out to accomplish at New Zealand Steel, that the changes had sustainable power. He accepted another challenging assignment within BHP.

DEPARTURE OF MALCOLM BURNS

On the day Burns left BHP New Zealand Steel, the plant hosted a farewell ceremony in his honor. Ian Sampson describes what happened:

The local Maori tribes had presented a very significant carving to the plant when it first opened. At dawn on the day of the ceremony, this carving was brought down from the boardroom to the main new conference room, which had recently been opened.

Later in the day, the formal part of the farewell began. It was open to everyone in the plant who was able to get there. There was a significant turnout.

During the ceremony, there were Maori prayers and a prayer from the plant chaplain. Then the significance of the wall carving was explained to the people, many of whom had not seen it before. It was explained that the managers now felt that it was important that it be shared with everyone in the workforce as it represented pictorially the unity of administration, production, selling and the people in producing iron and steel in New Zealand.

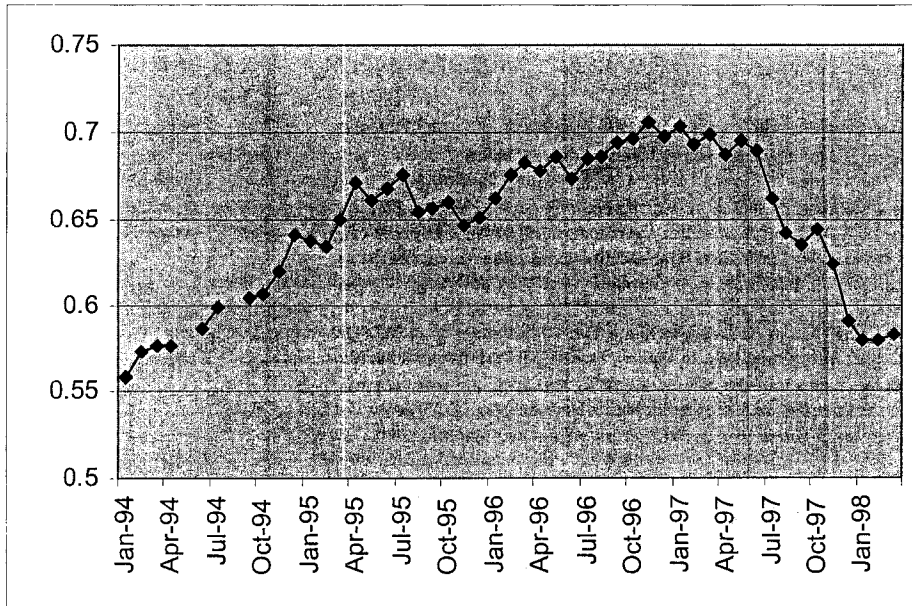
Malcolm was presented with a ceremonial greenstone walking stick—a symbol of leadership and respect in New Zealand. He then presented it to his successor.

At the end of this very moving ceremony, Malcolm reminded the people of the commitments he had made in his letter to the participants in the LFIF, particularly the one that he would fight like an alley cat for the future of New Zealand Steel [See Table 8]. He said that he could no longer do this because he was leaving. He said that while he would continue to support New Zealand Steel in any way he could, it was now up to the people themselves to protect and build what they had started to create as a long-term future for the plant. He then presented the whole workforce with a steel wall sculpture made from product in the plant, in the shape of an alley cat!

It now hangs in pride in a place in the conference room where all can see it and be reminded of its significance as they continue the transformation of the company.

APPENDIX: EXHIBITS

Exhibit #1: New Zealand Dollar Currency Exchange Rates



New Zealand Dollar vs. U.S. Dollar, 1994-1998¹³

¹³ Data from the Federal Reserve Bank of New York. Each data point taken at noon EST on the 15th of each month, or the business day closest to the 15th.

Exhibit #2: LEBD's Consulting Activities

LANDMARK EDUCATION BUSINESS DEVELOPMENT
.....

Landmark Education Business Development (LEBD), a wholly owned subsidiary of Landmark Education Corporation, was founded in 1993 to offer its unique technology to business corporations.

LEBD's engagements encompass a full range of consulting services, from strategic vision and planning sessions, to building and coaching high-performance executive and management teams, to implementing large scale initiatives in workforce mobilization. LEBD tailors these initiatives to the unique needs of its clients, with a specific focus on performance, agility, and the ability to maintain a competitive advantage.

LEBD has worked successfully with a wide range of clients, including athletic and fitness giant REEBOK International, and with Magma Copper and subsequently its acquirer, Broken Hill Proprietary. It has also worked successfully with UNUM, the leading provider of group disability insurance, and with the public utility Northern Indiana Public Service Company (NIPSCO). In addition to large industry, LEBD has worked extensively with organizations in the health care sector and with smaller, high-growth companies.

FUNDAMENTAL COMPETENCIES:

- Cultural transformation
- Strategic vision and planning and implementation
- Workforce mobilization
- Union/management relations
- Executive excellence
- Diversity empowerment

CULTURAL TRANSFORMATION

Stimulating people to act and giving them the power to do so may be one of the most important differences between those companies which stagnate and those which develop a competitive edge, as it is the people in our organizations who generate new ideas, develop creative responses, and push for change. The results produced through Landmark's initiatives demonstrate extraordinary effectiveness in unleashing this energy and initiative.

There is nothing more powerful and pervasive than corporate culture. The "culture" of an organization includes beliefs, attitudes and behaviors of the people who work there, which over time become "organizational habit." One of the most difficult tasks is getting people to think outside that framework or culture. When new realities in global competition produce a shift in the environment that has people at all levels of an organization question what they're familiar with, their basic assumptions about the way things are at work, the most common response is to go back to what they know, to what has worked before.

Landmark's initiatives allow people to see beyond that framework and move outside the context, the environment, the corporate culture — to stand back from it, to recognize it and see and act effectively in wholly new ways.

Exhibit #2 continued: LEBD's Consulting Activities**STRATEGIC VISION, PLANNING & IMPLEMENTATION****OVERVIEW**

The future of an organization, when planned from its present condition, will ordinarily rely on existing realities and be limited by current constraints. Most strategic plans say more about today's circumstances than tomorrow's opportunities. Improvements are incremental, and most companies stick to what they are familiar with — even though the real opportunities often lie elsewhere.

LEBD's approach starts with and takes fully into account where a company is currently - its characteristics, its problems, its resources, its objectives, and then departs from that reality to a wholly new approach. This strategic design technology process does far more than determine what actions should be taken in the future, the process actually begins to create and design that future itself.

Strategic vision and planning created by locating one's company in the future vs. planning designed from the present situation, alters the dynamic of the organization itself. Instead of having to motivate or drive people toward its fulfillment, the vision is one that inherently attracts, invites, and pulls people toward it. As a result, individuals at every level are motivated to think and operate as leaders, rather than merely carrying out their assigned accountabilities.

FULLY INTEGRATED IMPLEMENTATION

Managers and executives who understand the difference between a strategic intent or vision as concept and strategic intent or vision as a compelling force, know that implementing it throughout is integral to any company's success. A vision or an strategic intent that does not live at every level and with every employee essentially does not exist.

The Strategic Design Process actually begins to create and design a powerful, currently unpredictable future for an enterprise. This future, or a strategic intent that the group creates, becomes a very powerful force in the organization; it builds a life of its own, it develops its own momentum, and carries its own enthusiasm. Each employee knows what the company is out to accomplish, they know their part in it, and the difference they can make. This kind of ownership and committed action of employees throughout an organization makes a company agile, flexible, and powerful in ways almost nothing else can.

This process is not designed necessarily to displace or change a company's existing vision or strategic intent. Rather, it is designed to have the company's vision, objectives, and goals become a powerful force by involving representatives from every area and level of the organization.

Exhibit #2 continued: LEBD's Consulting Activities

WORKFORCE MOBILIZATION

OVERVIEW

The possibility of delivering extraordinary business results lies in developing real leadership and teamwork at every level of the organization and ultimately in having each and every employee take on the company's goals as his or her own. Still, generating and extending this commitment throughout the company is easier said than done.

In our experience with clients, top executives have been very successful in articulating their goals but have had a difficult time communicating them effectively, and more importantly, having others take them on as their own. When a company's objectives do not live at every level and with every employee, they do not exist with any real power.

LEBD's process (described on the facing page) allows people to move far beyond compliance to an authentic ownership which calls them to participate fully. It creates an environment where the generative and committed action of employees can be powerfully elicited, allowing leadership to emerge and to yield unpredictable results.

LEADERSHIP PROGRAM

The leadership program is designed to cause a transformation in "who people are being" at work and provide powerful access to the distinctions of successful leadership, communication and teamwork.

It is designed to bring about a fundamental shift in what people see as possible. Participants are able to step outside of their familiar frameworks, identify entrenched behaviors, old habits and unexamined assumptions and replace them with new perspectives giving them the ability to see, act and relate in new ways.

LEBD works with people to create a climate of innovation and risk-taking and to provide a sense of confidence and a new way of approaching problems that allows people to become self-generative and take initiative to make things happen. Our clients report employees move from being "dedicated, hard-working people" to being accountable for the success of their division or organization.

BREAKTHROUGH PROJECT PROGRAM

This program combines the leadership program with workplace breakthrough projects to fully integrate the results into achieving company goals.

The breakthrough project program fundamentally alters how a group of people can work together; it challenges people to rethink what is possible for both themselves and for their organization.

It is designed for employees to generate a transformation in who they are being at work; to result in a powerful outcome-driven team aligned around the accomplishment of the particular division, plant, or company's goals and objectives; and to accomplish specific breakthrough business results. It promises an overall organizational breakthrough and specifically a breakthrough in leadership to produce and manage for unpredictable results. This program is a powerful adjunct and support to any previous team building activities and will accelerate team formation.

Exhibit #2 continued: LEBD's Consulting Activities

AMONG OUR OTHER PROGRAMS AND SERVICES

EXECUTIVE EXCELLENCE

When an executive team starts to gel, something very exciting happens. There comes a unique doubling of power and performance with the recognition of what the team can accomplish. LEBD's executive program focuses on creating the executives of a company as a powerful team. The CEO and executives distinguish their accountabilities in a way that leaves them with access and power in the fulfillment of their overall corporate objectives. Participants develop and invent critical performance measures and systems with which to steer the organization.

Our clients report that the program leaves executives and senior managers generating, managing and keeping in existence a breakthrough performance culture. The team is able to move forward effectively with integrity and power, welcoming risk and uncertainty and causing each other's success. They become a force for change, learn to initiate and lead the process of change and operate with a sense of urgency. The executive team develops the competency to consistently deliver extraordinary business outcomes.

UNION/MANAGEMENT RELATIONS

Union and management relations historically are based on mistrust, conflict of interest, and ingrained adversarial attitudes. Surmounting a history of ongoing conflict and tension, building a strong foundation of partnership and trust is essential to achieving new levels of productivity and a competitive advantage.

Landmark's programs and initiatives bring about a dramatic shift in how people work together in fulfilling the goals of their organization. When people can see and hear themselves as an integral and vital part of an organization's future, they are able to step outside their separate, often adversarial roles and experience themselves as part of a team.

DIVERSITY EMPOWERMENT

Cultural diversity in organization means including people of different cultures, races, genders, nationalities and styles. More importantly, a culturally diverse organization recognizes, values and uses people's differences and similarities in support of the organizations objectives.

Organizations can learn to harness aspects of uniqueness as a source of strength and creativity for the organization. Cultural Diversity not only influences the internal operations of the organization, it also impacts the organization's capabilities vis-à-vis customers, suppliers, financiers, communities, and other constituencies. A skillfully diverse organization sets it apart from its competitors.

LEBD's Diversity programs create an organizational culture that recognizes, develops and harnesses the added value of everyone's similarities and differences in service of the organizations's objectives.

EXHIBIT E



PAUL FIREMAN
CHAIRMAN AND EXECUTIVE OFFICER

March 7, 1996

To Whom it May Concern:

Founded in 1979, Reebok International Ltd. reported \$3.5 billion in sales in 1995 and is recognized 247th on the Fortune 500 list. Our company is a leading worldwide designer, manufacturer and distributor of sports, fitness, and casual footwear, apparel and equipment. Reebok's goal is to be the world's leading sports and fitness brand.

Inside of this goal, Reebok contracted with Landmark in 1994 for a two-year initiative to work with key Reebok executives and representative staff and leaders throughout the organization in generating significant increases in performance and productivity. This is a broad-based, two-year initiative to alter the culture at Reebok to create a new environment that elicits people's committed action and in which they generate new approaches and activities that lead to a breakthrough in our results.

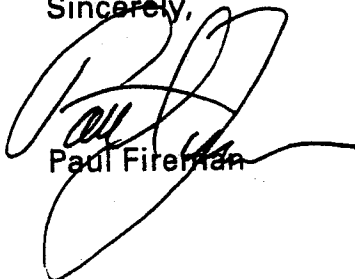
We recognized prior to hiring Landmark that global brand-building requires intense focus and relentless discipline in establishing the brand, and that there needed to be a shared goal within this company from top to bottom. In considering firms that would be suited to help us with our needs, we decided that Landmark could best act as a catalyst for the kind of unprecedented results we were seeking.

In working with a number of Landmark's executives and consultants over the last year and a half, they have demonstrated an absolute commitment to the success of our company while at the same time a total respect for the individuals in our company. Our experience has been that the Landmark personnel operates with the highest standards of professional conduct and integrity while working with us to achieve significant advances in our performance.

Landmark has done outstanding consulting work and programs on long-range planning and cultural transformation with our employees at all levels, and the work they have done has been enjoyed and well received, in assisting us in preparing our employees for a future that stems from a common and shared goal.

Throughout our company, our executive team continues to ask for Landmark's services and we have repeatedly added to our contract for their services. Reebok is proud to be working with Landmark and is pleased to have them as a partner in projects that we consider crucial to the future success of Reebok as a global brand.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Fireman", is written over the typed name. The signature is stylized and cursive.

Paul Fireman

EXHIBIT F

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Attorneys for Plaintiffs
Landmark Education LLC, Landmark Education
International, Inc. and Landmark Education
Business Development, Inc.

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

-----X
LANDMARK EDUCATION LLC, :
LANDMARK EDUCATION INTERNATIONAL, :
INC. and LANDMARK EDUCATION :
BUSINESS DEVELOPMENT, INC., :
:
Plaintiffs, :
:
vs. :
:
THE RICK A. ROSS INSTITUTE OF NEW :
JERSEY a/k/a/ THE ROSS INSTITUTE a/k/a/ :
THE ROSS INSTITUTE FOR THE STUDY OF :
DESTRUCTIVE CULTS, CONTROVERSIAL :
GROUPS AND MOVEMENTS and RICK ROSS :
a/k/a/ "RICKY ROSS," :
:
Defendants. :
-----X

Civil Action No. 04-3022 (JCL)

Honorable John C. Lifland
Honorable Mark Falk

**DISCLOSURES PURSUANT
TO RULE 26(a)(1) OF THE
FEDERAL RULES OF
CIVIL PROCEDURE**

Plaintiffs make the following initial disclosures pursuant to Rule 26(a)(1) of the Federal Rules of Civil Procedure. Plaintiffs reserve the right to supplement, update and amend the disclosures.

A. Contested Facts

In their answer, defendants contest every material fact concerning liability and damages set forth in plaintiffs' complaint.

B. Identities of Individuals

The following persons (not including in-house legal personnel from whom discovery would be barred by applicable privileges) are presently believed to have knowledge that plaintiffs may use to support their claims:

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(206) 789-6622

The falsity of statements published by defendants concerning Landmark's educational programs

Richard Condon
Landmark Education LLC¹
Senior Forum Leader

Conduct and content of Landmark's educational programs; the falsity of statements published by defendants concerning Landmark's educational programs

Douglas Diederich
4515 Red Rock Drive
Larkspur, Colorado 80118-8409
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The falsity of statements published by defendants concerning Landmark's educational programs

¹ The address and telephone number of each person listed herein as employed by any of Landmark Education LLC, Landmark Education International, Inc. and Landmark Education Business Development, Inc. is 353 Sacramento Street, Suite 200, San Francisco, California, 94111, (415) 981-8850.

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C. Documents

Plaintiffs have in their possession at their headquarters in San Francisco various documents responsive to Defendants' First Request For Production of Documents and Things to Plaintiffs.

D. Computation of Damages

The parties have agreed to bifurcate the issues of liability and damages.

Plaintiffs have suffered substantial damages -- believed to be in excess of \$250,000 -- as a result of defendants' activities as described in the complaint. Those damages fall into at least the following categories:

1. Harm to the good will of Landmark's educational programs -- plaintiffs require discovery in order to be able to compute, to the extent such harm to the good will of their educational programs is capable of computation, the full extent of their damages (which continue to increase due to the continuing nature of defendants' wrongful conduct as alleged in the complaint);
2. Reduced registration in Landmark's educational programs -- no complete computation of the extent of this category of damages is presently available. Plaintiffs require discovery in order to ascertain the extent to which defendants' wrongful conduct as alleged in the complaint has caused (and is continuing to cause) reduced registration in Landmark's educational programs; and
3. Out-of-pocket expenses -- plaintiffs have expended (and continue to expend) substantial time and resources to combat the false information about Landmark's educational programs spread by defendants. The full extent of plaintiffs' damages are therefore incapable of computation prior to the complete cessation of defendants' wrongful conduct as alleged in the complaint.

E. Insurance Agreements


Not applicable.

F. Experts

No testifying expert has yet been identified by plaintiffs. As such experts are identified, plaintiffs will provide that information which is required by the applicable rules.

Dated: December 10, 2004

Cohen Lans LLP

By: 
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Civil Action No. 04-3022 (JCL)
UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

LANDMARK EDUCATION LLC, LANDMARK
EDUCATION INTERNATIONAL, INC. AND
LANDMARK EDUCATION BUSINESS
DEVELOPMENT, INC,

Plaintiffs,

-against-

THE RICK A. ROSS INSTITUTE OF NEW JERSEY
A/K/A THE ROSS INSTITUTE A/K/A THE ROSS
INSTITUTE FOR THE STUDY OF DESTRUCTIVE
CULTS, CONTROVERSIAL GROUPS AND
MOVEMENTS AND RICK ROSS A/K/A/“RICKY
ROSS.”

Defendants

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