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March 2, 2005

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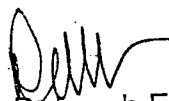
Re: Landmark v. Ross  
In Connection with Settlement

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

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March 16, 2005

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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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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."

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- 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,

- 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";

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- 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.

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I look forward to hearing from you.

Very truly yours,

/s/ Peter L. Skolnik

Peter L. Skolnik

PLS:mam

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