

EXHIBIT A

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

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

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

I

NATURE OF THE ACTION

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

II

PARTIES

2. Plaintiff Landmark Education Corporation

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

3. Defendant The Conde Nast Publications, Inc.

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

4. Defendant Advance Magazine Publishers, Inc.

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

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

III

BACKGROUND

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

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

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

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

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

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

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

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

CAUSE OF ACTION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

* * * * *

America's Most Wanted Cults

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

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

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

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

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

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

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

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

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

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

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

d. Landmark is engaged in a pyramid marketing scheme.

e. Landmark induces trances in participants in The Forum.

f. Landmark engages in manipulative recruitment.

g. Landmark engages in thought reform or mind control.

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

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

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

k. Landmark brainwashes participants in The Forum.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Dated: New York, New York
July 1, 1993

Yours, etc.

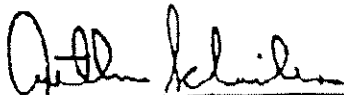
Morrison Cohen Singer & Weinstein
Attorneys for Plaintiff
750 Lexington Avenue
New York, New York 10022
(212) 735-8600

VERIFICATION

STATE OF CALIFORNIA)
SANTA CLARA)
COUNTY OF ~~SAN FRANCISCO~~)

Arthur Schreiber, being duly sworn, deposes and says:

1. I am General Counsel to Landmark Education Corporation the plaintiff herein.
2. I have read the foregoing AMENDED VERIFIED COMPLAINT and know the contents thereof to be true except as those matters which are stated upon information and belief, and as to those matters, to the best of my information and belief, I believe they are true.

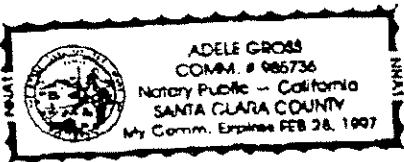


Arthur Schreiber

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

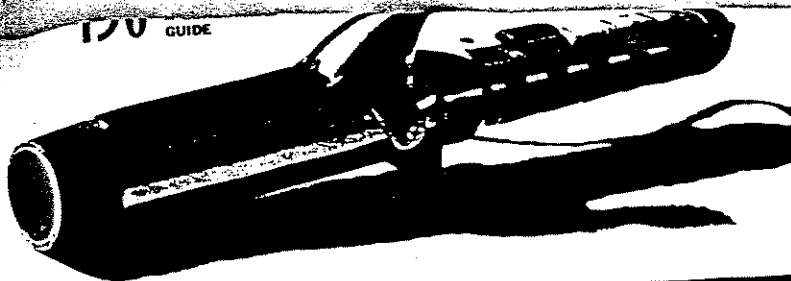


Notary Public



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SELF



FEBRUARY



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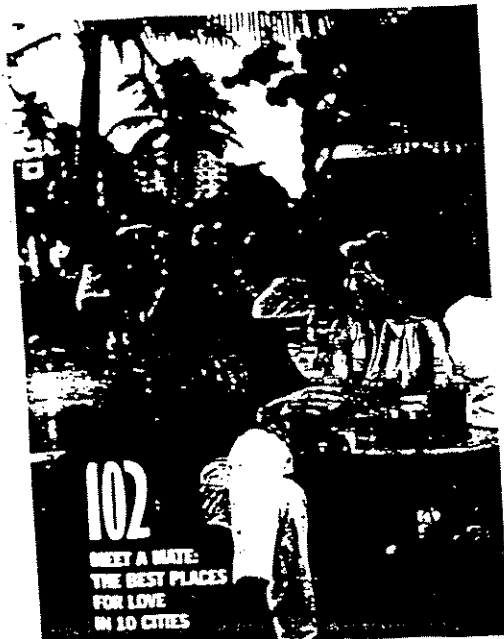
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MEET A MATE:
THE BEST PLACES
FOR LOVE
IN 10 CITIES

tx B

CONTRIBUTORS



Barbara Graham



Dirk Mathison



Lynn Snowden



James S. Thornton

Barbara Graham ("What's Left to Eat?" page 98) is a psychology expert and playwright. So why is she writing about nutrition? "I've been paranoid about food for years," Graham explains, "and was beginning to wonder if I should just give it up and be thin." Instead, Graham found out what's okay to eat and what's off-limits. "The food you think is safe," Graham warns, "is often the most dangerous." Raisin-lovers, beware.

Lynn Snowden ("The C-Spot," page 114) takes a very personal look at her fears and discovers much more than she expected. "Once I got past my embarrassment and could say 'cancers' out loud, I got outraged," she explains. "There's all this stuff sitting in front of the vagina that no one talks about!" Until now. Married to a production designer who's also shy about the C word, Snowden is working on a book about women and the workplace.

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

James S. Thornton ("Tired? Depressed? Exhausted?" page 125) cuts through the confusion and controversy surrounding the mysterious disease chronic fatigue syndrome. "A lot of people may have CFS, but other folks are suffering from depression and just want to avoid the unfortunate stigma of mental illness," he explains. Since the diagnosis of CFS is so new, Thornton's recommendation is: "Before you believe you've been stricken, get several opinions."

BX.C

THEY WANT YOUR MIND.

WHITE-COLLAR CULTS



All they were asking was 400 bucks and a few days out of her life....What do I have to lose? thought Karen Thorson, a 21-year-old nursing student ending a bad relationship. The workshop, her mother's idea, promised to unblock her "human potential"—and, if her mother was any example, it worked. Although caught up in a painful divorce, her mom had begun to seem happier, softer somehow, after taking the five-day seminar. And so, in July of 1987, Karen walked into a hotel conference room and signed up. At first she couldn't help measuring herself against the impeccably dressed graduates: They had such bright, smiling faces. God, she thought, I'd like to be more like these people. They were talking about such important stuff—getting in touch with what you want, "transforming" yourself, maybe even changing the world. This isn't just superficial, she thought.

Karen was about to be brainwashed. In her eagerness to comply with the seminar's rules for success, she would be an unwitting accessory in her own psychological disintegration, through trance-induction, guided imagery and other hypnotic exercises. And all in the name of personal growth.

Karen's experience began with a word, *change*, a buzz-

focus on relationships; the more radical ones claim to offer cutting-edge therapies for problems that are traditionally treated by psychologists or medical specialists. Karen's bad luck was to choose a program that had at its core a desire to manipulate and control its members for the profit of the few.

These destructive elements can be found, more and more, in the groups that mask themselves as scientific, success-oriented, professional. They model their style and language on America's managerial class. They cater to corporate America with the lure of bullish sales. And, experts say, women are flocking to what are, according to Cynthia Kisser, executive director of the Cult Awareness Network, "upscale cults for the more affluent."

What makes a cult? "For our purposes," says Marcia Rudin, director of the International Cult Education Program, "we define it as a group that, one, uses coercive pressure and deception to get people to join in and, two, uses mind-manipulation techniques without the consent or knowledge of the participants."

Slicker than the hard-core religious sects (such as the Unification Church and the Boston Church of Christ), the new cults keep a sophisticated, media-wise profile. Never-

And your money, and six of your friends. A look at the new, white-collar world of cults—where 'personal growth' means brainwashing.

word this year, and every year, in America. She felt that her life could be better; to her credit, she set about trying to improve it. For the millions of people like her who hold change synonymous with hope, an entire industry, known variously as the "personal growth" or "human potential" movement, has grown up over the past 30 years.

The movement is huge, an array of self-help mentors and groups united by an underlying belief that problems cannot be solved on a piecemeal basis, but only by making fundamental changes in a person's psyche or belief system. It's promoted by earnest talk show hosts, laid on thick in half-hour infomercials. It comes at us from friends and relations, the church and the office—particularly the latter, where seminars, workshops and refresher courses are ubiquitous. Millions of people, at some time or another, attend some sort of self-help training session, which for the price of a 27-inch Zenith often promises nothing less than a total life make-over—improved relationships, greater productivity and bolstered self-esteem.

An array of human potential practitioners believe that through specific exercises people can release their boundless capacities and reach "self-actualization." They claim to solve problems as prosaic as time management and as immense as mental illness. Many of the organizations

theless, says Kisser, "they mirror techniques used by less sophisticated religious cults. The tactics are the same." And the results can be just as devastating.

This is so disorienting, thought Karen. Two exhausting nights in a Dallas hotel conference room. Odd exercises where she'd close her eyes while the seminar leader talked. Rules she didn't understand and that they would not explain, such as having to be seated by the time the taped music stopped playing. But now she was starting to feel close to the assembled. Improprieties were being confessed, traumas revealed. One woman told of having been sexually abused as a child. Confession was good for the soul, wasn't it? There was talk about attaining goals, of improving relationships. And the promise that if she stuck it out, something wonderful awaited.

The second night, they paired her off with a woman. "Keep eye contact," they told her. "And imagine your partner is a parent. Tell him or her everything you've always wanted to tell them." Staring deeply into her partner's eyes, she thought of her father, who'd died five years earlier. Soon she felt a rush of overpowering, dizzying emotions. What the hell am I doing here? she wondered.

Anthropologists have found evidence of groups like these throughout history and in every society. They are referred to

BY DIRK MATHISON

CULTS

as "cults of the afflicted," in which members, once "cured" of whatever ails them, go forth seeking new converts. It's a pyramid marketing scheme that dates back to the pyramids themselves.



Group therapy sessions in the Fifties started the modern trend. By the 1960s, those early experiments had evolved into intense encounters where members became openly confrontational toward one another.

One offspring of the medically supervised encounter sessions, called Mind Dynamics, introduced a business angle into the mix. The resulting cross between Dale Carnegie and encounter groups expanded the potential market, since to be unsuccessful, or even insecure, was to be "afflicted." Group therapy now was mass therapy (and "therapy" was soon supplanted by the more business-friendly term "training").

The mass training business took off in the Seventies; dozens of outfits with names like PSI World, Insight and Lifespring flourished. Werner Erhard and John Hanley were two early Mind Dynamics trainees. Erhard went on to found est, the mass movement that talked about "getting it" — and, most famously, wouldn't let enrollees go to the bathroom for hours. Hanley, armed with a bachelor's degree in economics from the University of Wisconsin, founded Lifespring in 1973.

By the early Eighties, despite frequent and heavy criticism from the psychological community, there were dozens of such groups, often started by graduates of est and Lifespring. (To date, some 400,000 souls have taken Lifespring workshops alone.) They've survived scandal and

scorn, even legal action. In 1991, after Erhard was publicly charged with sexual and mental abuse by his daughter on *60 Minutes*, he filed suit against CBS. He has moved to Costa Rica, but the Forum (a toned-down reincarnation of est) continues to draw thousands of followers. Despite the successful prosecution of many of its top executives, Scientology is thriving, its new members attracted by celebrity endorsements.

By the third night, between the seminar and work, Karen was exhausted. Like being on a roller coaster, she thought the most of her early cynicism was gone. No more questions about all the petty rules, just a rubbery compliance and the desire to win her seminar

leader's approval. What a wonderful thing this is, she began to think, despite the painful confessions and the lack of sleep. I don't know why, exactly, but it is wonderful.

On the last of the five days, as music played, everyone in the room took turns hugging each other. It made all the pain and trauma worth it. These people, she believed, love me unconditionally. Two days later, she was uneasy enough to ask for an assurance that there was "nothing emotional" about the advanced course. She paid \$850 and signed up.

So what is it about these groups that keeps the banquet and conference rooms across the country filled? By first highlighting and augmenting feelings of insecurity, superficiality and alienation, and then offering to cure them, mass therapy groups tap into an inexhaustible supply of potential customers. Who hasn't felt lonely, cut off from humanity, at some time? Those in a transitional period — living alone for the first time, breaking up, grieving, going through a job change — are especially vulnerable to the pitch. And, make no mistake, the modern therapy group is a compendium of state-of-the-art sales tactics.

"These groups are very aware that just about everyone is vulnerable," observes Kisser. "We all have areas we're guilty about, areas we'd like to improve. The customers are people who wouldn't consider being involved with the Moonies or another religious cult. But they still have questions about careers and relationships."

Research disputes the idea that cult members are "crazy." In fact, they are disturbingly like the rest of us. While the typical cult converts are people in their late teens and early twenties, white-collar groups attract an older crowd. It's also a female crowd: All of the experts interviewed for this article agreed that more women seem to be gravitating to the new cults. Just why is still open to speculation, but the American Family Foundation's profile for a cult-joiner cites the presence not only of unusual stress but also of a tendency toward low self-esteem, high dependency and unassertiveness — traits familiar to any reader of Colette Dowling (*The Cinderella Complex*) or Gloria Steinem.

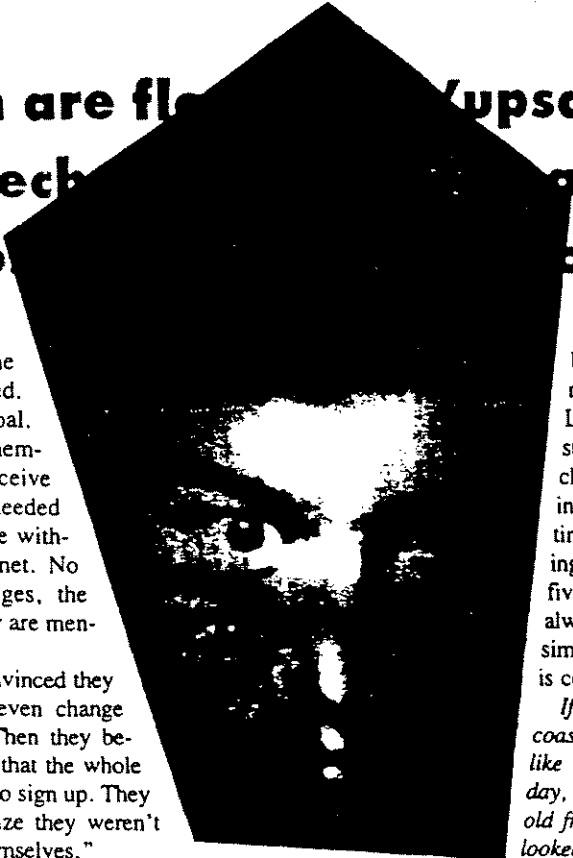
"People come because it works," says Lifespring founder Hanley, now 49. And, he continues, if there's a common thread among initiates, it's that "these are people who are not committed to the status quo of their lives. They're always asking, 'What else is possible? My life's okay, I'm not here complaining, but what else is there?'"

Which would be fine if the mass therapy groups didn't rely upon deception and aggressive marketing to keep warm bodies running through the training pipeline. "It's simply a form of pyramid selling," says Margaret Thaler Singer, Ph.D., professor emerita of psychology at the University of California at Berkeley and a leading expert on the groups. "People are cajoled into promising to bring at least six guests to the guest nights. They use guilt to get their friends and colleagues to come. They say, 'Come on, I did this for you. You should do this for me.'"

Zealots offer to put the cost of a recruit's workshop on their own credit cards, with a promise that if the workshop isn't beneficial, the recruit won't have to pay for it. Guilt,



Women are flocking to 'upscale cults' where the tech... al growth and pro... ous at first...



of course, does the rest.

The profit motive in the groups is carefully disguised. Membership becomes the goal. Those who bring in new members, says Dr. Singer, receive from the group only much-needed emotional strokes, which are withheld unless their quota is met. No cash. At the advanced stages, the loftier goals promised earlier are mentioned less and less.

"At first, [recruits are] convinced they can transform themselves, even change the world," says Singer. "Then they become more and more aware that the whole point is simply to get people to sign up. They become depressed, and realize they weren't helping a soul, including themselves."

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

N

onsense, says Hanley. "By the time our customers reach the advanced stages, they obviously already feel that Lifespring is something powerful to them. If they want to share that with a friend, we'll be available to help them. That's all."

In conversation Hanley can be disconcertingly unmemorable for someone who has changed the lives of nearly half a million people—and fended off more than 30 lawsuits, some settled for as much as \$800,000. Speaking in a calm, uninflected voice, he carefully avoids using the Lifespring jargon, in particular its emphasis on "making a commitment."

Clean-cut and collegiate in appearance, often decked out in a sweater à la Apple Computer's John Sculley (whom he resembles), Hanley is warm and sincere—particularly when compared with Werner Erhard, whose bluster can be felt even in a phone call. Unlike most of his peers, Hanley welcomes media attention. A consummate salesman, he has overcome many a harsh article, as well as six early mail fraud convictions—a testimony to his charm and the promise of transformation.

Hanley talks about his "suburban lifestyle," and makes sure to mention that he coached Little League. The only time his composure slips is at the mention of charges that Lifespring uses trance-inducing techniques. For the first time he seems under stress. Sounding as if he's reading off a three-by-five card, he says, "What we do is always going to be controversial simply because the subject of change is controversial."

If the first course was a roller coaster ride, the advanced stage was like bungee-jumping. Twelve hours a day, five days straight. Relatives and old friends would later tell Karen she looked "dead behind the eyes." She

was drained as much by the exercises as from the lack of sleep. In one session, she had to get up, stand in the middle of the circle ("feedback arcs," to the initiates) and submit to appraisal. "I experience you as ugly," one woman was told. "I experience you as fucked-up," someone else yelled out. Karen wondered: Why aren't they telling us why they're having us tear each other down like this? But by that point she was too cowed to ask.

In another exercise, everyone was given five straws to distribute to people they thought worthy of being "saved" on a lifeboat. The five with the most straws would "survive." Karen made it aboard the lifeboat, only to be ridiculed by the seminar leader for not having saved a straw for herself. My God, she thought. There's no winning here.

But the highs were so high. With her eyes closed, she went back and forgave everyone who had ever hurt her. And always, there was the promise of something more, something wonderful...She signed up for the next workshop, 77 days in all, including three weekends. And this time it was free.

Karen Thorson had been brainwashed. Her sweeping euphoria was all smoke and mirrors or, more accurately, unannounced trance-induction and manipulation.

It was during the Korean War that, for the first time, American POWs defected or denounced their country in large numbers. The brainwashing process would begin when the Chinese Communists persuaded POWs to write down a mild criticism of their country, such as "America is not perfect." Once that stone had been laid, and

(continued on page 154)

CULTS

(continued from page 123)

enough psychological pressure exerted, it was often only a matter of time before the prisoners were making harsher statements.

This, say the experts on cults, is exactly how many of today's human potential groups begin their programs—with the strict observance of seemingly petty rules, such as needing permission to go to the bathroom, or having to be seated by the time the music stops playing. The group leaders really don't care if you're sitting or not, only that you've followed orders. And once you say yes to something small, it is that much easier to say yes to something big—even if that means revealing your innermost traumas to a hundred strangers.

Even the way that today's trainers often smile after barking orders is a legacy of the Korean War. "The Chinese knew that it was much more effective to smile at their prisoners than to torture them," says Singer.

The techniques can seem innocuous, at first. Some of them—guided imagery, for instance—may actually be familiar

from a relaxation class or a self-help audiocassette. In the wrong hands, however, these techniques can do an astonishing amount of harm.

"Trance-induction," Singer explains, is brought about by "a high central focus of attention or concentration, which leads to diminished peripheral awareness. It can be achieved through various methods, and it's a means by which one person gets the complete attention of another."

Closed-eye exercises, a form of guided imagery, can be one of the most powerful trance-induction tools used in workshops. With the sense of sight deadened, customers are more attuned to the voice of the seminar leader. While this sounds innocent—sports psychologists enlist Olympic athletes in guided imagery exercises—the potential for abuse is great when the object of the exercise is not, say, running a faster 100-meter dash.

In one closed-eye exercise witnessed by Singer, the seminar leader said, "Imagine you are opening a gate, and behind the gate you see yourself as a six-year-old child. But where are your parents? Are they there for you?" In effect, every person in that room was handing over the keys of his or her psyche to a stranger.

Another technique is the "dyad," in

which participants pair off and, as the facilitator talks, stare into each others' eyes for several minutes at a time. During the dyad, the instructor will issue orders ranging from "Tell your partner how you feel about them," to "Imagine that your partner is actually a parent."

Take a few days without proper rest, add a regimen of closed-eye exercises, and anyone can become vulnerable to suggestion. "You're simply flooded with emotion," observes Singer. "The trainers usually get you to think of all your most painful memories, under the guise of somehow conquering your past." After several days of being "dragged down into the pits," says Singer, "the final day of exercises is usually designed to pump you up. By this time, customers usually just sort of drool and follow the leader. A false sense of community and camaraderie has developed. By now, they do everything they can to give you the 'warm fuzzies,' so that you'll sign up for the next course."

Hanley says such talk of hypnosis and trance is absurd. As for guided imagery, "This is only a fairly rigorous way of looking at your life," he says, "not a bolt of lightning from above. Everybody in the seminar is under his or her own power at all times."

A long list of human-potential-movement casualties says otherwise. A Seattle woman died after trainers allegedly refused to let her take her asthma medicine (the suit was settled out of court for \$450,000). Actual psychotic breaks occur in customers unprepared for the emotional rigors of the workshops. Attorney Michael Flomenhaft contends that his client, a young florist on the Upper East Side of Manhattan, still requires psychiatric care after having a severe psychotic break after attending Lifespring 10 years ago. "These groups misrepresent themselves as something innocuous," says Flomenhaft, who settled the case out of court last February and is about to try a new case against Lifespring. "But in actuality they are quite malignant." Hundreds of other lawsuits have been filed against the groups as well.

Singer estimates that she has counseled more than 50 workshop graduates — some because of suicide attempts — in the aftermath of programs. "A trained professional knows when someone should not be put under stress," she says. "And these people have absolutely no training outside the group."

The price of a "transformation" can be steep in other ways. Relationships

end when one partner gets involved in training while the other shuns it. Family members come under bitter, unrelenting attack for "abuses," such as a lack of love or concern, that the convert has discovered during his or her training. Jobs are lost, either as a result of supervisors who insist subordinates take their workshop, or when an employee earns the wrath of his colleagues by proselytizing at work. Academic careers are either terminated or put on hold. Friendships suffer. "We get a lot of calls from people who are concerned about all their friend's time being spent volunteering for one of these groups," says Rachel Andres, director of the Commission on Cults and Missionaries. "They often seem happy, but look exhausted. All their energy is going into the group."

Now in the third workshop, Karen was awakened before seven every morning with a call from someone in the group. She had a list of goals to achieve, and number one on the list was: Who was she going to sign up that day? It seemed as if she just didn't have the time for the other goals about improving relationships and all. The group talked about "commitment," which meant

(continued)

America's most-wanted cults

What makes a cult? The leading cult-awareness organizations cite the groups below — which range from sleek and sophisticated "transformational workshops" to fundamentalist sects — as having been the subject of complaints for activities that include: trance-induction; manipulative recruitment; thought reform or mind control; harassment of critics and their families and former followers; psychological and emotional damage; and fraud and deceit in fund-raising. The list was compiled from information provided by the American Family Foundation, the Commission on Cults and Missionaries and the Cult Awareness Network.

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

- The Forum (also est and The Hunger Project): Founded by Werner Erhard. *Personal growth, success and sometimes the salvation of the world.* Celebrity member: John Denver.
- Lifespring: Founded by John Hanley. *Personal growth and career success through ever-escalating "trainings."*
- John-Rogers' MSLA (pronounced "Messiah"): Founded by high school teacher Roger Hinkins. *Stresses overcoming negativity; insight seminars for businesses.* Gives "Integrity Day" awards to legitimate figures such as Bishop Desmond Tutu, Lech Walesa, Oliver Stone.
- Scientology/Dianetics: Founded by L. Ron Hubbard. *Uses "auditing" with a machine similar to a lie detector to help erase "engrams" (painful memories). Has related businesses or projects in health care, drug rehabilitation (Narcanon) and*

penny stock listings. Celebrity members: Tom Cruise, John Travolta, Kirstie Alley. Eleven top officials were convicted for wire-tapping and burglarizing private and government offices.

- Lyndon LaRouche organization: Namesake-founder currently in prison on mail fraud charges; followers still haunt airports and malls. *Politically extreme.*

Religious Although fundamentalist in nature, the following groups use thought control and coercive persuasion techniques:

- The Boston Church of Christ: A Bible-based group (not to be confused with the Protestant denomination Churches of Christ) with some 100 branches. Recruits on college campuses; now targeting professionals. *Considered one of the most aggressive of the religious cults.*

- Unification Church: Founded by the Reverend Sun Myung Moon. Gained infamy with brainwashing-like indoctrination and mass weddings (Moon just married 25,000 couples last August). Recruits on campuses under acronym C.A.R.P. (College Association for the Research of Principles). Owns University of Bridgeport, Connecticut; media outlets (the *Washington Times* and *Insight* magazine); interests in health food stores. *Followers say Moon is here to fulfill Christ's uncompleted mission.*

- The Way International: Bible-study group that recruits young people, including high school students; *uses speaking in tongues, now cited by experts as a form of trance induction.*

- Nichiren Shoshu of America (N.S.A.): Quasi-Buddhist group. Targets the young and affluent. *Its high-speed chanting is also cited by experts as trance-inducing.*

CULTS

(continued)

getting more people enlisted. And "accomplishment," which also meant getting more people enlisted.

She was exhausted and, in short order, lost 25 pounds she could ill afford to lose. She had no time for old friends. She was laid off from her medical records job after being told her recruitment for the group had cut her productivity. She decided it was too time-consuming to go back to nursing school. She got back into the troubled relationship she had ended, after being convinced by the group that it was her "responsibility." She came down with a strep infection. Told at the group office that perhaps she had some "emotions you need to let go of," she didn't see a doctor. The infection lasted six weeks.

If she could not get enough people to the guest events, she was told, she must not care enough about her friends to convince them to come. Or, conversely, that those who refused to enroll were "trash." Increasingly, she found that how she felt depended on what they thought of her. And if she got a new

member in, if she had made the "commitment," then the stroking was bliss. If not, then their disapproval was painful.

Still, on the third weekend, the group picked her up and cradled her in their arms, rocking her slowly. And while she was being rocked, they played a song picked just for her: "You Decorated My Life." Her own song. She decided to become a full-time volunteer.

Now she herself was one of those bright, shiny people she had so admired. She was also gaunt, jobless and out of school. She soon found that behind the cradling and the sense of camaraderie, the action was ugly. Trainees who dared to dissent were called "worthless." When one woman, there over concern for a friend, questioned the psychodrama techniques, trainers called her a "slut" behind her back. The woman finally ran out of the room; Karen tried to follow. She was told to sit down. She did.

And then something clicked: She was not going to be allowed to comfort someone who was hurting. And she was going along with it? That was enough. At the urging of a friend, she went to the library and read about what she had just been through. I feel duped, she thought.

Betrayed. And she got out.

Although all the evidence points to a predictable cause-and-effect cycle of physical and mental manipulation, converts to these groups believe they've experienced a miracle in a few short days. It's this bargain-basement mysticism that ultimately tarnishes any cult's claim to respectability. "It's highly unlikely," observes a wry Cynthia Kissler, "that we would have had to have waited through all of history to get answers to life's problems from guys like Werner Erhard. Any group that promises transformation over the weekend is not being truthful. There will be less than they promise."

To which Hanley replies, "We're here to stay."

It was six weeks after leaving the group. Karen Thorson was bitter enough to have started speaking out against it in letters to the editor and interviews. Then one night she came home and replayed the messages on her answering machine. Suddenly her song came on: "You Decorated My Life." A not-so-subtle reminder from someone in the group. She burst into tears. For a moment, she was back in their arms, cradled and loved. But then she remembered: It was all a lie. It wasn't real. And she erased the tape.

Caution: cults at work

Scott Paper, Pac Bell, Allstate, Sears, Boeing, Lockheed, IBM, General Dynamics — and the Federal Aviation Agency. This roll call of American enterprise is also a partial list of companies that have offered training programs created by one of the new personal growth organizations.

In a disturbing trend, the training programs are often spin-offs of cults — Werner Erhard's Transformational Technologies from est, Insight from guru John-Rogers' NSIA. They promise time-management and personal-productivity skills, to be attained by "transforming" the employee. Often, unwitting employers and supervisors offer workshops at company cost, increasing the pressure on employees to join in a program — and raising the prospect of a loss in stature if they don't.

The most astonishing case so far: In 1984, Pacific Bell of California hired two consultants from corporate trainer Charles Krone to help with the company's transition after the breakup of AT&T. In the end, the regional phone company would spend \$40 million to have its employees "Kroned" — a mysterious process that was claimed to improve employee relations and productivity. Results were negligible — until the company tried to pass on the cost of the training to customers. The ensuing investigation by the California Public Utilities Commission brought forth a tidal wave of angry employees who had felt pressured into taking the training. They hated the jargon they were now forced to use, as well as the implication that those who refused to take the training were off the fast track. In the end, Pac Bell's president took early retirement and his heir apparent was demoted.

In return for all its headaches, the company in 1987 got a mission statement that defined interaction, in Krone'speak, as the "continuous ability to engage with the connectedness and relatedness that exists and potentially exists, which is essential for the creations necessary to maintain and enhance viability of ourselves and the organization of which we are a part." All for just \$40 million.

AFFIDAVIT OF PERSONAL SERVICE

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

Adam Beauchamp, being duly sworn, deposes and says:

1. I am not a party to the action. I am over 18 years of age and reside in the state of New York.

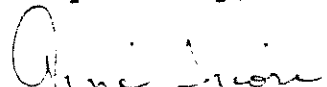
2. On July 1, 1993, at 4:55 PM, I personally served the AMENDED VERIFIED COMPLAINT in the above-captioned action upon Advance Magazine Publishers, Inc. by delivering a true and complete copy to Vinny Smith, a clerk for Advance Magazine Publishers, Inc., at its actual place of business located at 350 Madison Avenue, New York, NY 10017. Mr. Smith was a black male, approximately 5'9", 145 lbs., black hair, dark eyes and between the ages of 20 to 25.

3. Mr. Smith informed me that he was authorized to accept service of this AMENDED VERIFIED COMPLAINT on behalf of Advance Magazine Publishers, Inc.



Adam Beauchamp

Sworn to before me this
6th day of July, 1993



Notary Public

GINA SICORA
NOTARY PUBLIC, State of New York
No. 4872408
Qualified in Westchester County
Term Expires October 14, 1994

EXHIBIT B

IN THE CIRCUIT COURT OF COOK COUNTY
COUNTY DEPARTMENT, LAW DIVISION

05003

LANDMARK EDUCATION CORPORATION,)
)
Plaintiff,)
)
v.)
)
CULT AWARENESS NETWORK, an entity of)
unknown legal character, CYNTHIA KISSER,)
individually and as agent and Executive Director)
of the CULT AWARENESS NETWORK,)
JOHN and William Rehling, individually and as)
agent and Director of the CULT AWARENESS)
NETWORK, CULT AWARENESS NETWORK/)
NORTH TEXAS, a business of unknown legal)
character, CULT AWARENESS NETWORK/)
NY/NJ, an entity of unknown legal character, and)
JOHN & JANE DOES 1-50 and unknown)
aiders, abettors & co-conspirators,)
)
Defendants.)

3331
3317
No. 94 L 11478
2311



NOTICE OF FILING

TO: Walter P. Maksym, Esq.
720 Enterprise Drive
Oak Brook, Illinois 60521

PLEASE BE ADVISED that on June 27, 1997 we filed with the Clerk of the Circuit Court of Cook County the enclosed Memorandum of Defendant Cult Awareness Network/NY/NJ in Opposition to Plaintiff's Motion to Strike Special and Limited Appearance and Motion to Quash Service, a copy of which is attached and is hereby served upon you.

C. Steven Tomaszewski

One of the Attorneys for Defendant
Cult Awareness Network/NY/NJ

C. Steven Tomaszewski
JENNER & BLOSK #05003
One IBM Plaza
Chicago, Illinois 60611
(312) 222-9350

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT--LAW DIVISION

OK

55061

LANDMARK EDUCATION CORPORATION,

Plaintiff,

vs.

No. 94 L 11478

CULT AWARENESS NETWORK, an entity of
unknown legal character, CYNTHIA KISSER,
individually and as agent and Executive
Director of the CULT AWARENESS NETWORK,
JOHN and William Rehling, individually
and as agent and Director of the CULT
AWARENESS NETWORK, CULT AWARENESS NETWORK/
NORTH TEXAS a business of unknown legal
character, CULT AWARENESS NETWORK/NY/NJ,
an entity of unknown legal character, and
JOHN & JANE DOES 1-50 and unknown aiders,
abettors & co-conspirators,

Jury Trial Demanded

CD
J.D.

Defendants.

SECOND AMENDED COMPLAINT

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CLERK
COOK COUNTY
JERMAN
DISTRICT

3011
3004

NOW COMES Plaintiff, LANDMARK EDUCATION CORPORATION,
(hereinafter referred to as "LANDMARK"), by and through its
attorneys, complaining of Defendant, CULT AWARENESS NETWORK,
(hereinafter referred to as "CULT") and/or Defendant, CYNTHIA
KISSER, individually and as Agent and Executive Director of the
CULT AWARENESS NETWORK (hereinafter referred to as "KISSER"),
and/or William Rehling, individually and as agent and Director of
the CULT AWARENESS NETWORK (hereinafter referred to as "REHLING",
CULT AWARENESS NETWORK/NORTH TEXAS, a business of unknown legal
character, (hereinafter referred to as "CULT/NORTH TEXAS"), CULT
AWARENESS NETWORK/NY/NJ, an entity of unknown legal character,
(hereinafter referred to as "CULT/NY/NJ"), and JOHN & JANE DOES 1-

50 and states as follows:

FIRST CAUSE OF ACTION

For Defamation

1. That at all times relevant hereto LANDMARK was a corporation duly organized under the laws of the State of California and was authorized to do business and was at all times relevant hereto offering educational programs and services including its core program The Forum and doing business in the County of Cook, City of Chicago, Illinois with offices located at 820 N. Orleans, Chicago, Illinois.

2. That on information and belief, at all times relevant hereto, Defendant CULT was a business of unknown legal character doing business within the City of Chicago, County of Cook, State of Illinois which falsely represented to the public that it's "National Office" was and is located at 2421 W. Pratt, Suite 1173, Chicago, Illinois, which is actually located at 301 East Main Street, Suite 100, Barrington, Illinois, Defendant KISSER was a resident of the County of Lake, State of Illinois and at all times relevant acted as the agent, employee, representative, and Executive Director of CAN and William Rehling, was a resident of the County of Cook, State of Illinois and at all times relevant acted as the agent, representative, and Director of CAN. Further, on information and belief, at all times relevant hereto Defendant CULT/NORTH TEXAS was an entity of unknown legal character, doing business within the State of Illinois with it office located in or about Farmer's Branch Texas, a suburb of Dallas Texas, Defendant,

and on information and belief, at all times relevant hereto CULT/NY/NJ, was an entity of unknown legal character, doing business within the State of Illinois with its office located in or about Teaneck, New Jersey. On information and belief, at all times relevant CULT/NORTH TEXAS and CULT/NY/NJ acted as the agent, and/or joint venturer, and/or affiliate of or otherwise in concert with CULT and KISSER.

3. That all times relevant, LANDMARK was known to be a law abiding corporation and a reputable business that enjoyed and was known and acknowledged to have a good reputation as a respectable firm possessed of integrity, good moral character and honesty and held in high esteem and regard by its employees, business associates and the general public.

4. That at all times relevant LANDMARK had a right to be free from the dissemination and publication or re-publication of inaccurate, false, misleading, distorted, demeaning, stigmatizing, untrue, defamatory, slanderous, libelous, scandalous, degrading statements and mis-portrayals, and publicity regarding its corporate character reputation, business and financial interests, and educational endeavors, including its program The Forum.

5. That at all times relevant, Defendant CULT, KISSER, and Rehling individually and/or on behalf of CULT, CULT NORTH TEXAS and CULT/NY/NJ (hereinafter sometimes collectively referred to as "Defendants") knew or should have known or prior to the activities hereinafter complained of herein, could have become knowledgeable of the facts stated herein and that the illegal and wrongful

conduct undertaken by them and that such conduct would or could cause great damage to the character, reputation, work, business, professional, educational and financial interests of LANDMARK.

6. That on information and belief, commencing prior to and/or subsequent to the filing of this litigation, Defendants intentionally and on a continuous basis with a conscious and reckless disregard for the truth, caused to be delivered for publication and published throughout the County of Cook, State of Illinois as well as throughout the United States a certain "flyer" and "packet" as are hereinafter more fully described in Exhibit A and Group Exhibit B. Further, since the inception of this litigation and ongoingly, CULT, KISSER and REHLING intentionally and on a continuous basis with a conscious and reckless disregard for the truth, caused to be published throughout the County of Cook, State of Illinois as well as throughout the United States and the world a certain electronic "web page" as are hereinafter more fully described in Exhibit C which contains and disseminates substantially the same inaccurate, false, misleading, distorted, demeaning, stigmatizing, untrue, defamatory, slanderous, libelous, scandalous, degrading statements and mis-portrayals, and publicity regarding its corporate character reputation, business and financial interests, and educational endeavors, including its program The Forum as are contained in CULT's "flyer".

7. That on information and belief Defendants fully participated in and were jointly and severally responsible for assembling, fostering, preparing, disseminating, and delivering

said "packet" that CULT sells for twelve (\$12.00) dollars each and distributing and mailing to the public together with a certain "flyer", and making oral statements designed to disparage LANDMARK and The Forum as is hereinafter more fully described and deciding to cause to be published, the defaming statements therein contained as well as the decision making process as to what material and information to include or exclude from the dissemination, publication, and re-publication as well as whether to require or forego proper substantiation or verification of its content.

8. That said statements taken as a whole contained a pattern of false, misleading, and defamatory statements, information, and commentary designed and calculated to be demeaning, disparaging, injurious to LANDMARK's reputation, character and business, educational services and programs and financial interests, which *inter alia*:

- (a) Referring to The Forum and LANDMARK, CULT published, publishes, re-publishes, distributes, and promotes, *inter alia*, via the above-referenced false and misleading literature associating, imputing and implying LANDMARK as one of the "destructive cults" or "groups" about which CULT implies it has received the following complaints "... Engaged in some illegal and unethical practices including child abuse, neglect and death; illegal immigration, drug dealing, fraud and deceit in their recruiting, business financial and fund raising activities, theft, harassment of critics, families, and former followers with threats, lawsuits, and foul play, stockpiling and smuggling of weapons and ammunition; beating, sexual abuse, and prostitution, kidnapping, murder, attempted murder, and psychological and emotional damage".
- (b) Referring to The Forum in its above-referenced literature (misdescribing it as and associating it with est) and LANDMARK, CULT attributes the following "harmful effects"

which result from a "destructive cult experience":

"Loss of free will and control over one's life. Development of dependency and return to child-like behavior. Loss of spontaneity or sense of humor. Inability to form intimate friendships outside the cult or enjoy flexible relationships. Physical deterioration and abuse. Psychological deterioration (including hallucinations, anxiety, paranoia, disorientation, and dissociation.) Involuntary, *de facto* servitude or exploitation."

- (c) CULT published or republished the following "of and concerning" LANDMARK or its program, The Forum, "packets" of misinformation inferring and implying LANDMARK uses mind control (undue influence) and unethical means to recruit and retain followers. It claims association with these groups (including LANDMARK) can be harmful to followers and disruptive to families, friends, and society. CULT lists the following as "techniques of mind control":

"Group pressure and "love bombing" discourages doubts and reinforces the need to belong through use of child-like games, sing, hugging, touching, or flattery.

Isolation/Separation creates inability or lack of desire to verify information provided by the group with reality.

Thought-Stopping Techniques introduce the recruit to meditating, chanting, and repetitious activities which, when used excessively, induce a state of high suggestibility.

Fear and guilt induced by eliciting confessions to produce intimacy and to reveal fears and secrets, to create emotional vulnerability buy overt and covert threats, as well as alternation of punishment and reward.

Sleep deprivation encouraged under the guise of spiritual exercises, necessary training, or urgent projects.

Sensory overload forces acceptance of complex new doctrine, goals, and definitions to replace old value by expecting recruit to assimilate masses of information quickly with little opportunity for critical examination."

- (d) CULT characterizes and described itself as a network of "...former cult members and families and friends of past and present cult members" and "... a coalition of volunteer affiliate groups throughout the United States" and that its work is to "educate the public on cults" and further that it is "... dedicated to promote public awareness of the harmful effect of mind control." CULT says it confines its concerns

to unethical or illegal practices" and "... bringing to the public awareness the harmful effects of destructive cults..." It defines "destructive cults" as "...a closed system whose followers have been unethically and deceptively recruited through the use of manipulative techniques of thought reform or mind control. According to CULT, the system is imposed without the informed consent of the recruit and is designed to alter personality and behavior and attributes the following "marks" of the destructive cult" (Emphasis supplied).

"Mind control (undue influence): Manipulation by use of coercive persuasion or behavior modification techniques without informed consent.

Charismatic leadership: Claiming divinity or special knowledge and demanding unquestioning obedience with power and privilege. Leadership may consist of one individual or a small core of leaders.

Deception: Recruiting and fund raising with hidden objective and without full disclosure of the use of mind controlling techniques; use of "front groups".

Exclusivity: Secretiveness or vagueness by followers regarding activities and beliefs.

Alienation: Separation from family friends and society, a change in values, and substitution of the cult as the new "family"; evidence of subtle or abrupt personality changes.

Exploitation: Can be financial, physical, or psychological; pressure to give money, to spend a great deal on course or give excessively to special projects and to engage in inappropriate sexual activities, even child abuse.

Totalitarian world view (we/they syndrome): Effecting dependence, promoting goals of the group over the individual and approving unethical behavior while claiming goodness."

9. That on information and belief, said false, misleading, inaccurate, demeaning, defamatory, and injurious statements were deliberately and maliciously published and re-published, distributed and disseminated with the full knowledge that same were not true, or in reckless disregard for the truth or falsity thereof so as to intentionally defame and injure LANDMARK's

reputation, business and educational endeavors and interests, as well as LANDMARK's business character, community standing, and educational services.

10. That on information and belief Defendants made no genuine, professional or proper investigation or attempt to verify the truth or falsity of said statements and information contained in said "packet" and "flyer" and acted with malice and a total utter and reckless disregard as to the truth or falsity of said statements or their incomplete or misleading nature, deliberately causing them to be authored, published, re-published, and disseminated as aforesaid.

11. That despite a duty owed LANDMARK by Defendants to not publish, re-publish, or publicize false or misleading statements or misinformation concerning it, Defendants intentionally and with malice proceeded and continues to disseminate, publish, and republish said defamatory statements without proper verification or sufficient investigation and confirmation or bias and the knowledge or suspicion of the author's motives, bias, prejudice, lack of trustworthiness, reliability or veracity, and deliberately, recklessly, wantonly, maliciously and intentionally causes and continues to cause publication and republication of said false and misleading statements. The Defendants did and continues to do so with malice for the express and specific purpose of injuring LANDMARK's character, reputation, business, educational services and programs as well as its community standing.

12. That LANDMARK's damages flowing from Defendants said defamatory publication and re-publication are of a continuing and ongoing nature and are presently incapable of or fully accurate compilation and ascertainment.

13. That said defamatory publication and republication falsely and directly accuses, attributes, imputes or implies to LANDMARK the commission of deceit, fraud, criminal offenses, unfair, unethical, illegal business practices and conduct and/or other illegal and immoral acts and improprieties which in truth and in fact did not occur.

14. That as a foreseeable and proximate consequence of the foregoing which continues to impugn and denigrate the public perception of LANDMARK's activities, services, programs, integrity, dignity, honor, and undermines its ability to engage in the aforesaid business and endeavors, LANDMARK has been and continues to be otherwise prejudiced and greatly damaged it in the aforesaid business, its reputation, character, activities, services, programs, credit worthiness, ability to produce income so as to incur and be subjected to great damage, injury, ruination, scorn, ridicule, degradation, disgrace, contempt, aversion, social stigmatization, obloquy. Further, the same has wrongfully created an evil opinion of LANDMARK in the perception of the public and fair minded persons, has damaged the perception of potential clientele, and caused it to suffer financial loss, substantial legal and other professional fees and expenses.

WHEREFORE, LANDMARK prays that judgment be entered in its

favor and against Defendants, for compensatory and punitive damages in excess of five million dollars (\$5,000,000.00) or that amount as a jury may deem appropriate plus reasonable attorneys fees, costs, and expenses.

SECOND CAUSE OF ACTION

For Injurious Falsehood

1-14. That LANDMARK re-alleges paragraphs 1 through 14 of the First Cause of Action as and for paragraphs 1 through 14 of this Second Cause of Action.

15. That Defendant's intention by means of falsehoods and said inaccurate, misleading communications, was to deter and prevent prospective clientele from participating in LANDMARK's programs and services and unjustly demean and disparage same, particularly its core program known as "THE FORUM".

16. That on information and belief Defendants failed to adequately investigate the truth of said allegations and disseminated, published and re-published same with a conscious and reckless disregard for the truth or falsity thereof and intention to harm LANDMARK by disparaging its services and programs and intending that third parties, i.e., potential consumers and participants of those services, rely and act on those disparaging communications and articles which resulted in injury and commercial disparagement to LANDMARK's business and educational endeavors and the reputation of its services as aforesaid.

17. That LANDMARK as a direct and proximate result suffered and incurred special damages, which are ongoing and have not yet

been fully determined.

18. That Defendants intended to harm interests of LANDMARK, by permitting the above or should have recognized the likelihood of doing so.

19. That Defendants' conduct has required LANDMARK to employ attorneys and incur fees and expense to mitigate their conduct and claim injurious falsehood, commercial disparagement, and trade libel.

WHEREFORE, LANDMARK prays that judgment be entered in its favor and against Defendants jointly for compensatory and punitive damages in excess of five million dollars(\$5,000,000.00) or that amount as a jury may deem appropriate plus reasonable attorneys fees, costs, and expenses.

THIRD CAUSE OF ACTION

For Interference with Prospective Economic Advantage

1-19. That LANDMARK re-alleges paragraphs 1 through 19 of the Second Cause of Action as and for paragraphs 1 through 19 of this Third Cause of Action.

20. That at all times relevant, LANDMARK enjoyed a reasonable expectancy of entering into valid and legitimate business relationships with prospective clients of its business and educational work and had at the time of said wrongs in existence, profitable and workable business relationships and endeavors which were damaged as a direct, proximate and foreseeable cause of Defendants wrongful activities.

21. That on information and belief by reason of the

foregoing, Defendants, with malice, knowingly, negligently, intentionally, recklessly, and wrongfully interfered with the possibility of LANDMARK's various interests, relations, and prospective economic advantages.

WHEREFORE, LANDMARK prays that judgment be entered in its favor and against Defendants, jointly for compensatory and punitive damages in excess of five million dollars (\$5,000,000.00) or that amount as a jury may deem appropriate plus reasonable attorneys fees costs, and expenses.

FOURTH CAUSE OF ACTION

False Light in the Public Eye

1-21. That LANDMARK re-alleges paragraphs 1 through 21 of the Third Cause of Action as and for paragraphs 1 through 21 of this Fourth Cause of Action.

22. That at all times relevant LANDMARK had a right to be free from unreasonable, inaccurate, false or misleading publicity concerning it which is incomplete or incorrect, or false.

23. That the foregoing constituted false, unreasonable, demeaning, disparaging, inaccurate or misleading public portrayal of LANDMARK's business and educational endeavors, as well as an unreasonable placing it in a false light in the public eye and the matters made public would be highly offensive to a reasonable person.

WHEREFORE, LANDMARK prays that judgment be entered in its favor and against Defendants jointly for compensatory and punitive damages in excess of five million dollars (\$5,000,000.00) or that

amount as a jury may deem appropriate plus reasonable attorneys fees, costs, and expenses.

FIFTH CAUSE OF ACTION

For Commercial Disparagement

1-23. That LANDMARK re-alleges paragraphs 1 through 23 of the Third Cause of Action as and for paragraphs 1 through 23 of this Fifth Cause of Action.

24. That the foregoing constituted commercial disparagement to LANDMARK and its educational services and core program The Forum.

WHEREFORE, LANDMARK prays that judgment be entered in its favor and against Defendants jointly for compensatory and punitive damages in excess of five million dollars (\$5,000,000.00) or that amount as a jury may deem appropriate plus reasonable attorneys fees, costs, and expenses.

SIXTH CAUSE OF ACTION

Conspiracy

1-24. LANDMARK re-alleges paragraphs 1 through 24 of the Fifth Cause of Action as and for paragraphs 1 through 24 of this Sixth Cause of Action.

25. That on information and belief the Defendants acted in concert and combination with each other and certain unknown aiders, abettors, and co-conspirators who participated with and aided Defendants in the authorship, publication and re-publication of the foregoing defamatory communications.

WHEREFORE, LANDMARK prays that Judgment be entered in its

favor and against Defendants jointly for compensatory and punitive damages in excess of five million dollars (\$5,000,000.00) or that amount as a jury may deem appropriate plus reasonable attorneys fees, costs, and expenses.

SEVENTH CAUSE OF ACTION

For Deceptive Trade Practice

1-25. LANDMARK re-alleges paragraphs 1 through 25 of the Sixth Cause of Action as and for paragraphs 1 through 25 of this Seventh Cause of Action.

26. That Chapter 815, ILCS 510/2 provides in pertinent part as follows:

§2 A person engages in a deceptive trade practice when in the course of his business, vocation or occupation, he:

* * *

(2) causes likelihood of confusion or of misunderstanding as to the source, sponsorship, approval or certification of goods or services;

(3) cause likelihood of confusion or of misunderstanding as to affiliation, connect, or association with or certification by another;

* * *

(5) represents that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits, or quantities that they do not have or that a person has a sponsorship, approval, status, affiliation, or connection that he does not have;

* * *

(8) disparages the goods, services or business of another by false or misleading representation of fact;

* * *

(12) engages in any other conduct which similarly creates a likelihood of confusion or of misunderstanding.

In order to prevail in an action under this Act, a plaintiff need not prove competition between the parties or actual confusion or misunderstanding.

This Section does not affect unfair trade practices otherwise actionable at common law or under other statutes of this state.

27. That Chapter 815, ILCS 510/3 provides in pertinent part as follows:

§3 ...Proof of monetary damage, loss of profits or intent to deceive is not required. Costs or attorneys' fees or both may be assessed against a defendant only if the court finds that he has wilfully engaged in a deceptive trade practice.

The relief provided in this Section is in addition to remedies otherwise available against the same conduct under the common law or other statutes of this state.

28. That in the course of their business, vocation and occupation, Defendants by their actions aforesaid engaged in and on information and belief continue to engage and will continue to engage in said in deceptive practices as against LANDMARK and its business and educational services is in violation of one or more of the above referenced section of the Uniform Deceptive Trade Practice Act unless restrained and enjoined.

WHEREFORE, LANDMARK prays that Judgment be entered in its favor and against Defendants jointly for compensatory and punitive damages in excess of five million dollars (\$5,000,000.00) or that amount as a jury may deem appropriate and orders temporarily, preliminarily and permanently enjoining Defendants from engaging in said deceptive trade practices as aforesaid, plus attorney's fees and costs, as provided by statute.

EIGHTH CAUSE OF ACTION

For Consumer Fraud

1-28. LANDMARK re-alleges paragraphs 1 through 28 of the Seventh Cause of Action as and for paragraphs 1 through 28 of this Eighth Cause of Action.

29. That the aforesaid action of Defendant's constituted Consumer Fraud within the meaning of 815 ILCS 505/1 et. seq. entitling Plaintiff to damages, attorney's fees and injunctive relief pursuant to 815 ILCS 505/10 (a) et. seq.

WHEREFORE, LANDMARK prays that Judgment be entered in its favor and against Defendants jointly for compensatory and punitive damages in great excess of five million dollars (\$5,000,000.00) or that amount as a jury may deem appropriate and enter orders temporarily, preliminarily, and permanently enjoining Defendants from engaging in said consumer fraud as aforesaid, plus attorney's fees and costs, pursuant to the statute in such cases made and provided.

TRIAL BY JURY DEMANDED

Landmark Education Corporation,
a California Corporation,

By: 

Walter P. Maksym, one of its attorneys



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EXHIBIT C

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

-----x
LANDMARK EDUCATION CORPORATION, :
 :
Plaintiff, :
 :
-against- :
 :
MARGARET THALER SINGER, an individual, :
JANJA LALICH, an individual, :
and DOES 1 through 100, inclusive :
 :
Defendants. :
-----x

Index No.

96102797

COMPLAINT

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

I.

NATURE OF THE ACTION

1. This is an action for damages caused by defendants' publication of false and defamatory statements of and concerning plaintiff in the book "CULTS IN OUR MIDST - The Hidden Menace in Our Everyday Lives."

2. Jurisdiction and venue are based upon the residence of plaintiff which is authorized to do business in New York and maintains offices in New York in the State, County and City of New York, and upon the commission of tortious acts in the State, County and City of New York, which caused injury here, and upon the publication of the challenged material by defendants in the State, County and City of New York.

II.

PARTIES

3. Plaintiff Landmark Education Corporation ("Landmark") is

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

4. Defendant Margaret Thaler Singer ("Singer") is an individual and, upon information and belief, a resident of the County of Alameda, State of California. Singer is a clinical psychologist and university professor who authored and, upon information and belief, researched the book entitled CULTS IN OUR MIDST -- The Hidden Menace in Our Everyday Lives (the "Book") that was published February 15, 1995.

5. Defendant Janja Lalich ("Lalich") is an individual and, upon information and belief, a resident of the County of Alameda, State of California. Lalich co-authored and, upon information and belief, researched the Book.

6. The true names and capacities of those individuals and entities named herein as Does 1 through 100, inclusive, are unknown to plaintiff at this time. However, plaintiff is informed and believes, and thereon alleges, that each of said fictitiously named defendants is responsible in some manner for the event and occurrences herein alleged, or conspired in some manner with the named defendants and/or each other, and that plaintiff's damages as herein alleged were proximately caused by their conduct. Plaintiff will seek leave of court to amend this Complaint to state the true names and capacities of such fictitiously named defendants once

they have been ascertained.

GENERAL ALLEGATIONS

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

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

9. Since its introduction more than 400,000 people have participated in the Landmark Forum.

10. Participants in the Landmark Forum program are neither required nor requested to follow, embrace, or worship any theology, dogma or doctrine.

11. Participants in the Landmark Forum program are neither required nor requested to donate any of their assets to Landmark or any other entity, group or individual, nor would Landmark accept any such donation. Participants in the Landmark Forum program pay \$290 as tuition to Landmark for the full three day and one evening session.

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

13. Participants in the Landmark Forum program are not subject to thought-reform techniques, mind control or manipulation, hypnotic techniques, brainwashing, psychological harm, blackmail, harassment, or violence or threats of violence.

14. Landmark does not engage in fraud and deceit to get participants into the Landmark Forum program.

15. Participants in the Forum program are not required or requested to cut themselves off, or isolate themselves, from their family and friends. Moreover, people who participate in the Landmark Forum sessions return to their homes between sessions in the same manner as if they were taking adult education courses at an urban college.

CAUSE OF ACTION
(Libel)
(Against All Defendants)

16. On or about February 15, 1995, defendants, and each of them, caused to be written, printed, published and disseminated a book entitled CULTS IN OUR MIDST - The Hidden Menace in Our Everyday Lives (the "Book"). A copy of the Book is annexed hereto as Exhibit "A" and made a part of this Complaint.

17. The false and defamatory statements made by defendants are of and concerning plaintiff. The Book's jacket (a copy of which is attached to the Book which is annexed hereto as Exhibit "A" and made part of this Complaint), beginning with the printing

of the words "CULTS IN OUR MIDST" on the jacket cover in bright red, and followed by the inside jacket cover description of the Book, clearly informs the reader that what will follow is "the definitive book on cults." The inside jacket cover also informs the reader that "Often a cult is disguised as a legitimate business or organization: ... a self-help group ... or leadership training program could be a front for a cult." The inside jacket cover states that "the definitive book on cults" to follow is authored by the "leading authority on cults," defendant Singer, and a "former cult member," defendant Lalich. The Book jacket highlights how the defendants will expose "what cults are" and "how they work."

18. The Book defines "cults" and "cultic-groups," specifically identifying their alleged characteristics, many specific cult groups and their founders and followers, and identifying alleged first-hand experiences of participants in cults. Examples of statements evidencing the definition and characteristics of a cult or cultic group provided in the Book include, but are not limited to, the false and defamatory statements listed in Paragraph 25 herein. The Book describes in numerous ways the overall deceptive nature of cults and cultic-groups and how they access many places in society, including the workplace, so as not to expose their true intentions. This overall description and the alleged numerous ways cults manifest themselves are all false in so far as they are of and concerning plaintiff.

19. It is in this context as a cult and a front for a cult that the Landmark Forum program is mentioned by name (the Forum) as

a large group awareness training group in Chapter 2 entitled, "A Brief History of Cults" under a subsection entitled "The 1970's: Cults to Expand Awareness (subsection) Large Group Awareness Training." In the same context, plaintiff and the Landmark Forum program are prominently mentioned in a number of false and defamatory statements in Chapter 8, entitled, "Intruding Into the Workplace," in a subsection entitled, "The Forum and Transformational Technologies." Besides containing false and defamatory statements mentioning the Landmark Forum by name (the Forum), reference to the Landmark Forum program in this chapter implies and was understood by the reading public to mean that the false and defamatory statements regarding the Book's definition and characteristics of cults and cultic-groups are of and concerning the plaintiff.

20. Chapter 8, entitled "Intruding into the Workplace," states that a significant portion of advancement programs, workshops, seminars and training sessions currently utilized by companies and corporations in the United States are not what they appear to be. Rather, they are "fronts for cults or other organizations using thought-reform processes" Chapter 8 describes programs which are sold under the "guise of management and communications courses" which purport to be able to motivate and even "transform" employees. Chapter 8 states that one of the reasons the book discusses these "programs" is to bring attention to the fact that certain "training programs" use the same types of intense influence techniques that are identified with cults and

that many "programs" are actually "recruiting venues" for certain cults. The Book states that, "Cults have put on three-piece suits and come directly into the workplace, disguised as self-improvement management courses."

21. Within a subsection of Chapter 8 entitled, "A Clash in the Workplace," the Book states that "Cultic programs that tend to be purely commercial ventures generally aim at selling more and more courses. . . . All these programs raise several general areas of concern: . . . They use thought-reform techniques and methods of psychological coercion and can cause psychological breakdown." This subsection also states that "The New Age movement business's desire to compete in the world marketplace, and our nation's propensity to believe in self-improvement are intermingling in our corporations. This situation is further complicated by the intrusion of certain cults and thought-reform groups that take advantage of this milieu."

22. Following this subsection within Chapter 8 is a section entitled "Violation of Civil Rights," which includes discussion of what Singer denominates as Large Group Awareness Training ("LGAT") programs and their "offshoots." The next subject subsection within Chapter 8 entitled "What Goes On in an LGAT," specifically mentions the Landmark Forum program (the Forum), describing it as having sponsored an LGAT. This same subsection of Chapter 8 then describes an LGAT session. The next subsections within Chapter 8 include, "Development of a New Age Training Program: A Case Example" and "Problems with Being Transformed at Work" (which

describes a number of "management courses" and cites specific examples of companies affected by the "issue").

23. Immediately following the above in Chapter 8 is the subsection entitled "The Forum and Transformational Technologies." The subsection contains numerous false and defamatory statements specifically mentioning and referring to the plaintiff and Landmark Forum (the Forum) using much of the same terminology used throughout the Book in defining what is a cult and its characteristics.

24. The implication, meaning and intent are obvious: that the false and defamatory statements in the Book regarding cults and their characteristics (cited in Paragraph 25 herein) are of and concerning the plaintiff.

25. Among the specific false and defamatory statements made by defendants of and concerning plaintiff in the Book are the following:

- (a) LGAT groups included est and its offshoots, such as ... the Forum . . . (Page 42)
- (b) . . . [Singer] attended six large group awareness training sessions (sponsored by ... the Forum . . .) (Page 191)
- (c) Around 1971 ... [est was established], which in 1985 reemerged as the Forum. . . . (Page 202)
- (d) In another region, at least one former employee filed a lawsuit against her employer claiming that she suffered a nervous breakdown as a result of a four-day course. (Page 202)
- (e) Here is what has happened at two companies using these programs. Ohio Children Services Agency. The Forum [seminar participants] complained of pressure to take the course and on-the-job discrimination against them if they didn't. (Page 204)

(f) DeKalb Farmers Market. Possibly one of the most celebrated cases related to workers' rights concluded with an out-of-court settlement reached between DeKalb Farmers Market and eight former employees who were allegedly fired or forced to resign for refusing to participate in Forum sessions....

The plaintiffs said that the training program's espousal of the supremacy of man violated their belief in the primacy of God or other higher beings. The lawsuit contended that supervisors who declined to participate and to recruit their employees were harassed, humiliated, and interrogated. The lawyer handling the case for the employees said that the case had "made employers come to grip with the legitimate boundaries of employee training."

Dong Shik Kim, one of the plaintiffs, worked at the DeKalb Farmers Market, a large produce market near Atlanta, Georgia. When his boss asked him to attend the special training seminar, Kim thought it would help him learn to increase sales and improve morale among fellow employees. Kim reported that the training sessions lasted as long as 15 hours and became a nightmare. The outside consultants who ran the program "bullied employees into tearful confessions about intimate and heart-wrenching episodes in their lives." Kim said, "The sessions put people into a hibernating state. They ask for total loyalty. It's like brainwashing."

Faced with staying in the program or losing his job, Kim quit. He and seven others sued the DeKalb Farmers Market and the consulting firm, claiming they were forced out of their jobs for objecting to a "new age quasi-religious cult." (Pages 203-205)

(g) As we have seen, coercive psychological influence may be operating in the workplace at the time an employee is assigned to attend certain training programs, and/or it may occur in the actual training program. Consequently, the psychological ramifications of some training programs have led to employees filing legal suits. Some of these suits were described in the previous section, and three additional cases are described here. (Page 207)

(h) Psychological Breakdown. (Page 208)

(i) Psychological Deterioration. (Page 208)

(j) Intense Psychological Stress . . . (page 209)

(k) . . . [a] significant portion of these programs ["workshops, seminars and training sessions"] are not what they appear to be. (Page 182)

(l) . . . they are fronts for cults or other organizations using thought-reform processes that can cause considerable psychological harm and turmoil and can even precipitate psychoses in some employees without delivering any . . . purported benefit. (Page 182)

(m) Sold under the guise of management and communication courses, these programs are . . . purported . . . to be able to "motivate" and even "transform" employees. (Page 183)

(n) . . . certain training programs use the same types of influence techniques that are identified with cults. (Page 183)

(o) Also, many of these programs are actually recruiting venues for certain cults. (Page 183)

(p) Cults have put on three-piece suits and come directly into the workplace, disguised as self-improvement management courses. (Page 183)

(q) Cult leaders and trainers assess individual participants in their seminars as potential recruits, already partially converted. (Page 187)

(r) All these programs raise several general areas of concern: . . . They use thought-reform techniques and methods of psychological coercion and . . . cause psychological breakdowns. (Page 187)

(s) This situation is further complicated by the intrusion of certain cults and thought-reform groups [into corporations] that take advantage of this milieu. (Page 188)

(t) Many aspects of New Age can be entertaining. . . as long as people don't get caught up with someone using these ventures to entrap them into a thought-reform group or a cult. . . (Pages 184, 185)

(u) They learn what the program is about only after it becomes difficult to leave. (Pages 210)

(v) . . . a number of cults are highly litigious . . . harass and curb critics . . . Their [cults] motivation . . . [is] to harass, financially destroy, and silence criticism. (Page XXIII) For these reasons I [Singer]

have elected to write generically of cults . . . names of groups have sometimes had to be omitted. (Page XXIV)

(w) . . . [The Book looks at] two main categories of groups. The first is made up of the cults and cultlike groups who expose their recruit members to organized psychological and social persuasion processes designed to produce attitudinal changes and to establish remarkable degrees of control by the group over these recruits' and members' lives. These cults deceive, manipulate and exploit their members and hope to keep them as for as long as possible.

The second category consists of commercially sold large group awareness training programs and other "self improvement" psychology-based, or miscellaneous organizations that use similar intense coordinated persuasion processes but . . . prefer adherents buy more courses . . . and bring in more customers . . . (Page 4)

(x) Thus, groups in both categories use thought-reform processes. (Page 4)

(y) These masterful manipulators Not every one of these groups meets the definition of a cult, but along with cults all of them use thought-reform techniques in recruiting, changing, and exploiting followers. (Page 4)

(z) . . . cultic groups are disguised as legitimate enterprises . . . self-help groups, business training workshops . . . (Page 5)

(aa) A cult can be formed around any content: . . . self-improvement techniques. . . . the fastest-growing cultic groups . . . [are] New Age thinking and certain personal improvement training, life-styles, or prosperity programs. These latter cults are most likely to be the kind you or your friends may have come across or been influenced by (Page 13)

(ab) In the United States, there are at least ten major types of cults . . . 8. Psychology or psychotherapeutic . . . 10. Self-help, self-improvement, and life-style systems . . . (Page 13-14)

(ac) Other groups want to recruit members into their pay-as-you-go programs and therefore target employed persons with money-making skills, to whom the cults will sell "courses," gradually hooking these people into greater and greater commitment to the group, as well as selling them more and more expensive courses. (Page 22)

(ad) Courses used to lure people into cults have a wide range; . . . how to "get in control of your life," . . . (Page 23)

(ae) . . . a fifth class of victims [of cults]: those who have been in situations of enforced dependency (as I call them) as a consequence of having been subjected to thought-reform processes. In essence, a thought-reform program is a behavioral reconstruction program, a program of systematic manipulation using psychological and social techniques (see Chapter Three) . . . It is commonly known as brainwashing, and yes, it does exist. The cult member falls into this fifth class of victims. (Page 27)

(af) It was a natural progression for cultic groups and others using thought-reform techniques to add the psychological techniques from the sensitivity, encounter and group therapy movements into the behavioral change programs used for new members. Now gaining attention were groups like Charles Dederich's drug rehabilitation program, Synanon, and miscellaneous groups that provided the right mix of personal transformation and exotic undertones to attract followers. (Page 41)

(ag) Large Group Awareness Training.... They used encounter group and hypnotic techniques to destabilize participants' view [sic] of the world. Strong peer pressure was used to finish the job and produce conformity.... LGAT groups included ... the Forum. (Page 42)

(ah) Cults Threaten Legitimate Institutions ... A series of cultic groups has begun selling business management programs that rely heavily on intense influence techniques rather than skills training ... serve as avenues to increase the membership of the parent organizations. Some of these cultic groups use large group awareness training (LGAT) techniques (see Chapter Eight) . . . Most managers are not aware of the true nature of these training sessions because often the courses are sold by cult affiliates with a variety of names. . . . As mentioned, these programs, which are supposed to "transform" employees, usually are not skill-training courses but ways for the cult to get money and find new members. (Page 85)

(ai) . . . current cults and other groups using thought-reform processes induce attitude and behavior changes in their members, ... they use words to persuade, control, and even damage people. (Page XVIII)

(aj) [People are] . . . hoodwinked . . . gives up job,

family, and the freedom of self-determination . . . social and psychological influence techniques used by cults and cultic groups. This process of planned, covert, coordinated influence -- popularly called brainwashing or mind control or . . . thought reform -- is the route by which the cult leader gains control. (Page XXI)

(ak) Cults tend to be totalistic, or all-encompassing, in controlling their members' behavior and also ideologically totalistic, exhibiting zealotry and extremism in their worldview. . . . most cults expect members . . . [to give] a total commitment . . . to reach . . . "enlightenment." . . . The form of that commitment . . . more courses . . . more quotas . . . (Page 10)

(al) Cult leaders and con artists are opportunists . . . These manipulators survive because they adapt and because they are chameleon-like so at some times we get cults based on . . . business-training programs . . . relationship improvement seminars . . . (Page 50)

(am) The Process of Brainwashing, Psychological Coercion and Thought Reform. Leaders of cults and groups using thought-reform processes have taken in and controlled millions of persons to the detriment of their welfare. (Page 52).

(an) The following conditions create the atmosphere needed to put thought-reform processes into place. . . .
1. Keep the person unaware that there is an agenda to control or change the person
2. Control time and physical environment (contacts, information)
3. Create a sense of powerlessness, fear and dependency
4. Suppress old behavior and attitudes
5. Instill new behavior and attitudes
6. Put forth a closed system of logic (Page 64)

(ao) . . . cults are secret societies . . . [In groups that use thought-reform techniques there] is deliberate deception about what the group is and what some of the rituals might be, and primarily, there is deception about what the ultimate goal will be for a member, what will ultimately be demanded and expected, and what the damages resulting from some of the practices might be. . . . [Such techniques are] equivalent to mind control. (Page 99)

(ap) The psychotechnology of thought reform . . . is also not harmless . . . cult techniques of persuasion and control become more skillful, more subtle, and more damaging during the past two decades. (Page 102)

(aq) [Singer interviewed] . . . as many members of the new cultic groups as I could find . . . [These cults used] intense, well-packaged psychological and social control methods. (Page XVIII)

(ar) . . . cults achieve the control of people's lives that they appear to have. (Page XX)

(as) Eventually, these groups subject their followers to mind-numbing treatments that block critical and evaluative thinking and subjugate independent choice in a context of a strictly enforced hierarchy. (Page XXIII)

(at) Cult members . . . have been persuaded by each of these [Jim Jones and Koresh] and other groups to carry out group whims - including murder, suicide, and other violent acts - at the behest of the cult leader. (Page 3)

(au) The threat presented by cults . . . very real threats to public health, mental health, political power, and democratic freedoms . . . concerns over consumer issues . . . (Page 5)

(av) . . . ordinary citizens leave their everyday lives and become part of groups that carry out acts ranging from bizarre and unethical to self-destructive and murderous. . . . no end to their unconscionable behavior . . . Cult members seem to have stamina almost beyond human comprehension. (Page 6)

(aw) A cultic relationship is one in which a person intentionally induces others to become totally or nearly totally dependent on him or her for almost all major life decisions, and inculcates in these followers a belief that he or she has some special talent, gift, or knowledge. (Page 7)

(ax) . . . cult refers to three factors: 1. The origin of the group and role of the leader 2. The power structure, or relationship between the leader (or leaders) and the followers 3. The use of a coordinated program of persuasion (which is called thought reform, or, more commonly, brainwashing) . . . (Page 7)

(ay) [Cult leaders] persuade devotees to drop their families, jobs, careers, and friends to follow them. Overtly or covertly, in most cases they eventually take over control of their followers' possessions, money, and lives. (Page 8)

(az) . . . spouses are forced to separate or parents

forced to give up their children as a test of their devotion to their leader. (Page 8)

(ba) Cults are authoritarian. The leader is regarded as the supreme authority. . . There is no appeal outside the leader's system to greater systems of justice. (Page 9)

(bb) . . . [Cults use] exploitative persuasion, that is various thought-reform processes used by cult leaders and cultlike groups to induce people to join, stay, and obey. (Page 10)

(bc) Many cults put great pressure on new members to leave their families, friends and jobs . . . (page 10)

(bd) But for all practical purposes these individuals [in cults] also live under rules governing such crucial features of their personal life as the people with whom they associate, what happens to their money, whether they raise their own children, and where they live. (Page 11)

(be) Cults are causing considerable damage to countless individuals and families in our society. Cults are using sophisticated psychological and social persuasion techniques to recruit and retain members. These techniques should be studied and revealed so that citizens can be taught countermeasures in order to avoid being exploited by such groups. Cults are using their wealth to curb fair criticism and comment through their threats of legal action and other intimidating actions. Cults represent encroachments of authoritarianism into our society under various guises, and this should be studied not only by behavioral scientists but also by ordinary citizens who care about their freedom. (Page 83)

(bf) Cults Harm Our Children and Tear Apart Our Families . . . Cults turn members against their families . . . (Page 87)

(bg) Cults Are Violent . . . Cults are abusive and destructive. . . . Some abuse only their own members; others project the violence outward. (Page 88)

(bh) Cults Engage in Conspiracy and Fraud . . . Not only have cultic groups engaged in openly violent behavior, but also . . . led to members' being convicted of crimes ranging from conspiracy to tax evasion, spying on governments and fraud. (Page 89)

(bi) Small Cults Can Be Just as Harmful as Large (Page 90)

(bj) Cults Take Away Our Freedom . . . They intentionally disrupt education and career goals, break up families, stifle personal relationships, and coerce followers into turning over savings, property and other assets. (Page 92)

(bk) Extraordinary Harassment. Those who criticize or oppose cults become accustomed to a plethora of harassing actions. They get phone calls from people posing as reporters, seeking information on local anti-cult activities. Neighbors, relatives, and employers are likely to get calls and visits, sometimes from fictitious persons on various pretext who accuse the anti-cult activist of all sorts of crimes. (Page 239).

(bl) [Singer's] office has been broken into and hundreds of video and audio interviews of ex-cult members and others have been stolen. (Page 242).

(bm) Each cult regards itself as above the laws of the land, as a sovereign state with its own superior rules, and in many cults, children are treated as though they were expendable. (Page 253)

(bn) . . . the cult's dishonesty about many things keeps members from knowing what is really going on. Members are not only kept from sources of outside information but are also told lies and misrepresentations about the cult, the leader, and the group's activities. (Page 274).

(bo) People don't leave cults [because] . . . they are afraid. Many groups chase after defectors. They threaten them, punish them, put them under house arrest. Members try to get away, they are stopped by the cult; they make the mistake of telling someone they are thinking of leaving, they are suspended from group activities, ostracized and punished. (Page 277)

(bp) . . . [cult members] stay because they are trapped by the same influences as the others, plus they feel enormous guilt and fear blackmail and retribution from the cult. (Page 278)

26. In the Book, by the use of the particular words set forth in Paragraph 25 above, defendants conveyed the following false and defamatory meanings of and concerning plaintiff:

(a) The Landmark Forum program engages in awareness training. The Landmark Forum program is an offshoot of est.

- (b) The Landmark Forum program sponsors awareness training sessions.
- (c) Est reemerged as the Landmark Forum program.
- (d) Plaintiff causes and caused the participants of the Landmark Forum program to suffer nervous breakdowns.
- (e) Plaintiff pressured employees of the Ohio Children Services agency to participate in the Landmark Forum program. Plaintiff caused employees of the Ohio Children Services Agency to suffer on the job discrimination if the Landmark Forum program was not taken.
- (f) Plaintiff engages in brainwashing. Plaintiff uses brainwashing on its participants in the Landmark Forum program. Plaintiff harasses those participants who do not stay in the Landmark Forum program. Plaintiff uses coercive psychological influence on the participants in the Landmark Forum program.
- (g) The plaintiff and/or the Landmark Forum program uses coercive psychological influence on participants in the Landmark Forum program.
- (h) Plaintiff and/or the Landmark Forum program causes psychological breakdown of the participants in the Landmark Forum.
- (i) Plaintiff and/or the Landmark Forum program causes psychological deterioration on the participants in the Landmark Forum program.
- (j) Plaintiff and/or the Landmark Forum program causes intense psychological stress to the participants in the Landmark Forum program.
- (k) The Landmark Forum program is not what it appears to be.
- (l) The Landmark Forum program is a front for a cult. The Landmark Forum program is a front for Landmark, an organization using thought-reform processes that causes considerable psychological harm. Plaintiff causes psychoses in participants of the Landmark Forum program.
- (m) Employers are unaware that plaintiff is a cult which hides that it is a cult from employers by making them think it is selling a management or communication course.
- (n) The Landmark Forum program uses the same influence techniques as a cult.

(o) The Landmark Forum is a recruiting venue for plaintiff.

(p) The Landmark Forum program is nothing more than a front for a cult which has disguised itself in the form of a self improvement management course to get into the workplace.

(q) Cult leaders and cult trainers assess participants in the Landmark Forum program as potential recruits for the cult. Plaintiff considers participants in the Landmark Forum program as already partially converted cult members.

(r) The Landmark Forum program uses thought-reform techniques and causes psychological breakdowns in participants.

(s) Plaintiff is a cult and thought-reform group that is entering corporations through self-improvement courses.

(t) The Landmark Forum program traps people into a cult or thought-reform group.

(u) Participants in the Landmark Forum program learn what the program is about only after the Landmark Forum program makes it difficult to leave. The Landmark Forum program makes it difficult for participants to discontinue the program. The Landmark Forum program attempts to prevent participants from leaving the program.

(v) Plaintiff is a cult. Plaintiff is a cult that is highly litigious whose motivation is to harass, curb and silence and financial destroy critics. Because plaintiff is a highly litigious cult which harasses and financially destroys critics the author of the Book, Singer, has in most places in the Book omitted the plaintiff's name or the name of the Landmark Forum program in an attempt not to get sued, harassed or destroyed by plaintiff.

(w) Plaintiff is a cult or cultlike group which exposes their recruit members to harmful psychological and social persuasion to control their lives. Plaintiff is a cult that deceives, manipulates and exploits its members and/or its participants in the Landmark Forum program. The Landmark Forum program is a LGAT that uses similar intense harmful persuasion process to cult or cultlike groups to get members to buy more courses and bring in more participants.

(x) The plaintiff and/or the Landmark Forum program uses

thought-reform processes.

(y) Plaintiff and/or the Landmark Forum program uses thought-reform techniques in recruiting and exploiting participants of the Landmark Forum program.

(z) Plaintiff is a cult disguised as a legitimate enterprise. The Landmark Forum program is a front for the plaintiff cult.

(aa) Plaintiff uses techniques which are part of the fastest-growing cultic groups.

(ab) Plaintiff is one of the ten major types of cults in the United States.

(ac) Plaintiff targets employed persons with money-making skills to sell courses to them to hook them into greater commitment to the cult.

(ad) Plaintiff uses the Landmark Forum program to lure people into the cult.

(ae) Plaintiff uses thought-reform processes on participants in the Landmark Forum program. Participants in the Landmark Forum program are exposed to harmful thought-reform processes, a behavioral reconstruction program, a program of systematic manipulation using harmful psychological and social techniques known as brainwashing.

(af) Plaintiff uses thought-reform techniques.

(ag) Plaintiff uses encounter groups. Plaintiff uses peer pressure to produce conformity in participants in the Landmark Forum program. Plaintiff uses hypnotic techniques on participants in the Landmark Forum program. Plaintiff's use of these techniques is in order to destabilize the participants' views of the world.

(ah) Plaintiff and/or the Landmark Forum program threaten legitimate institutions. The Landmark Forum program is sold by cult affiliates with a variety of names. The Landmark Forum program is merely a way for the plaintiff cult to find new members. Plaintiff is one of the cultic groups which has begun selling business management programs. Plaintiff is one of the cultic groups which sells business management programs that rely heavily on intense influence techniques.

(ai) The plaintiff uses words to control and damage participants in the Landmark Forum program.

(aj) Plaintiff tricks people into giving up their job, family and freedom. Plaintiff uses brainwashing and/or mind control and/or thought-reform to gain control of members for participants in the Landmark Forum program.

(ak) Plaintiff is totalistic and all encompassing in controlling the participants of the Landmark Forum program.

(al) Plaintiff is a cult based on a business training program. Plaintiff is made up of con-artists.

(am) Leaders of plaintiff have taken in and controlled persons to their detriment.

(an) Plaintiff keeps the participant in the Landmark Forum program unaware that plaintiff has an agenda to control and change them. Plaintiff creates a sense of powerlessness, fear and dependency in the participants of the Landmark Forum program.

(ao) Plaintiff is a secret society which uses thought-reform techniques. Plaintiff uses deliberate deception on participants in the Landmark Forum program about what the group is. Plaintiff uses deception about what the ultimate goal of the Landmark Forum program is for a participant and what will ultimately be demanded and expected, and what the damages from their program will be. Plaintiff uses mind control techniques on participants in the Landmark Forum program.

(ap) Plaintiff uses harmful cult techniques to control participants in the Landmark Forum program.

(aq) Landmark uses psychological social control methods on participants in the Landmark Forum Program.

(ar) Landmark controls the lives of the participants in the Landmark Forum program.

(as) Landmark subjects participants in the Landmark Forum program to mind-numbing treatments that block critical evaluative thinking.

(at) Plaintiff has persuaded participants in the Landmark Forum program or other individuals to carry out the whim of plaintiff, such as murder, suicide and other violent acts.

(au) Plaintiff and/or the Landmark Forum program threatens public health, mental health and democracy.

(av) Plaintiff encourages people to commit bizarre, unethical, self-destructive and murderous acts.

(aw) Plaintiff induces participants in the Landmark Forum program to become totally dependent on them for all major life decisions.

(ax) Plaintiff engages in a coordinated program of thought-reform also known as brainwashing. The Landmark Forum program engages in brainwashing.

(ay) Plaintiff persuades participants in the Landmark Forum program to leave their families, jobs, careers and friends to follow plaintiff. Plaintiff overtly and covertly takes control of the possessions and money of the participants in the Landmark Forum program.

(az) Plaintiff forces participants in the Landmark Forum program to separate from their spouses and/or give up their children as a test of their devotion.

(ba) Plaintiff is authoritarian. Plaintiff's leader is regarded as a God.

(bb) Plaintiff and/or the Landmark Forum program uses thought-reform processes to induce people to join, stay and obey.

(bc) Plaintiff and/or the Landmark Forum program puts pressure on participants in the Landmark Forum program to leave their families, friends and jobs.

(bd) Participants in the Landmark Forum program are controlled by plaintiff as to whom they should associate with, what happens to their money, whether they raise their own children and where to live.

(be) Plaintiff and/or the Landmark Forum program causes considerable damage to countless individuals and families. Plaintiff baselessly threatens legal action and uses other intimidating action to curb fair criticism.

(bf) Plaintiff and/or the Landmark Forum program harms children. Plaintiff turns participants of the Landmark Forum program against their families.

(bg) Plaintiff and/or the Landmark Forum program is violent, abusive and destructive. Plaintiff abuses participants in the Landmark Forum program.

(bh) Plaintiff engages in fraud and deceit. Plaintiff

engages in openly violent behavior which has led to members being convicted of crimes, ranging from conspiracy to tax evasion, spying on governments and fraud.

(bi) Plaintiff is a harmful cult.

(bj) Plaintiff takes away the freedom of the participants in the Landmark Forum program. Plaintiff disrupts education and career goals of participants of the Landmark Forum program. Plaintiff breaks up the families or participants of the Landmark Forum program. Plaintiff coerces people and participants of the Landmark Forum program into turning over their savings, property and other assets to plaintiff.

(bk) Plaintiff harasses critics of the Landmark Forum program. Plaintiff harasses critics of plaintiff.

(bl) Plaintiff engages in crime against those who criticize it or the Landmark Forum program. Plaintiff was involved in breaking into author Singer's office and stealing video and audio materials.

(bm) Plaintiff regards itself as above the laws of the United States. Plaintiff regards itself a sovereign state with its own rules and laws.

(bn) Plaintiff is dishonest to participants in the Landmark Forum program. Plaintiff lies to participants in the Landmark Forum program as to its true intentions.

(bo) Plaintiff harasses participants who leave the Landmark Forum program. Plaintiff threatens former Forum program participants and puts them under house arrest.

(bp) Participants stay in the Landmark Forum program because they fear blackmail and retribution from plaintiff.

27. Although plaintiff has presented above the most serious and most harmful false and defamatory statements of and concerning plaintiff, all statements in the Book of and concerning plaintiff are false.

28. The false and defamatory meanings and implications of and concerning plaintiff alleged in Paragraph 26 were also conveyed by

the combination of individual statements contained in the Book, including the juxtaposition of words and statements to each other, which, in the aggregate, produced the false and defamatory inferences from which said meanings and implications were conveyed.

29. Defendants knew and intended that the particular statements set forth in Paragraph 25 and in the Book as a whole (Exhibit "A") would convey each and every false and defamatory meaning and implication set forth in Paragraph 26 of and concerning plaintiff and that such false and defamatory meanings were conveyed by the particular statements set forth in Paragraph 25 and by the inferences drawn from the Book's statements in the aggregate.

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

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

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

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

34. That the above false and defamatory statements of the

Book were intended to be and are of and concerning the plaintiff and were made with common law malice and actual malice is obvious from the "Resources and Organizations" and the "Acknowledgments" Sections of the Book in which author Singer states she: "could never have accomplished so much without all the assistance [of] ... the Cult Awareness Network - their enthusiastic support and help in providing referrals, locating source materials, supplying literature and reprints of articles and sponsoring annual conferences that bring together so many people who are interested in this social problem." The Cult Awareness Network ("CAN") has attacked and negatively presented the Plaintiff and the Landmark Forum. Defendant knew of the extreme hostility of CAN towards Plaintiff.

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

36. As a direct result of the aforesaid acts of defendants, plaintiff has been economically damaged. Upon information and belief, the Book is widely sold in major bookstores (e.g., Barnes and Noble), and is read and used as a source of reference by those who will conclude based on the false and defamatory statements of and concerning the plaintiff that plaintiff is a dangerous cult and

that the Landmark Forum program is a front for a dangerous cult. Upon information and belief, the Book is sold all over the world by the Cult Awareness Network and is used to discourage people from taking the Landmark Forum program. Upon information and belief, the authors are distributing the Book throughout the United States for the purpose of discouraging people from participating in the Landmark Forum program. Upon information and belief, individuals and businesses have been discouraged from participating in the Landmark Forum program by the defamation of and concerning the plaintiff in the Book.

37. As the acts of defendants were committed with malice, fraud and oppression and with intent to harm and destroy plaintiff, defendants are also liable for the payment of punitive damages.

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

- (1) In an amount no less than \$10,000,000 in general damages together with interest thereon;
- (2) For punitive damages in an amount to be proven at trial;
- (3) For the costs and disbursements in this action including reasonable allowances for counsel fees and other lawful expenses; and

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

Dated: February 13, 1996

MORRISON COHEN SINGER & WEINSTEIN, LLP
Attorneys for Plaintiff
750 Lexington Avenue
New York, New York 10022
(212) 735-8600

OF COUNSEL

LAW OFFICES OF TERRY GROSS
One Maritime Plaza, Suite 1040
San Francisco, California 94111
(415) 544-0200

EXHIBIT D

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

-----X
LANDMARK EDUCATION CORPORATION, :
 :
Plaintiff, :
 :
-against- :
 :
HACHETTE FILIPACCHI MEDIAS GROUP, d/b/a :
ELLE MAGAZINE and ROSEMARY MAHONEY, :
 :
Defendants. :
-----X

Index No.

VERIFIED COMPLAINT

98115873

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

I.

NATURE OF THE ACTION

1. This is an action for damages caused by defendants' publication of false and defamatory statements of and concerning plaintiff. Jurisdiction and venue are based upon the residence of defendant Hachette Filipacchi Medias Group, d/b/a ELLE Magazine, doing business in the State, County and City of New York, upon the commission of tortious acts in the State, County and City of New York, which caused injury here, and upon the publication of the challenged material by defendants in the State, County and City of New York.

II.

PARTIES

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

3. Defendant, Hachette Filipacchi Medias Group ("HFM"), is, upon information and belief, a Delaware corporation engaged in the publishing business, authorized to do business in New York. Upon information and belief, HFM publishes and distributes a monthly magazine known as ELLE Magazine, a publication doing business in New York County which has offices located at 1633 Broadway, New York, N.Y. 10019

4. Defendant Rosemary Mahoney ("Mahoney") is, upon information and belief, a resident of the State of New York. Mahoney is a professional journalist and contributory writer to ELLE who, upon information and belief, researched and authored an article entitled "Do You Believe in Miracles," that was published in the September 1998 issue of ELLE magazine ("the Article").

5. The research and writing of the Article occurred in the State of New York and the Article was widely published and distributed in the State of New York as contained in the September, 1998, issue of ELLE Magazine.

III.

BACKGROUND

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

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

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

9. Participants in The Forum are not required, requested or even permitted to donate all or a portion of their assets to Landmark or any other entity, group or individual. Participants in The Forum in New York pay \$375 as tuition to Landmark which covers the cost of the three day and one evening session.

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

11. Participants in The Forum are not required or requested to cut themselves off, or isolate themselves from their family and friends. People who participate in The Forum return to their homes in the same manner as if they took adult education courses at an urban college.

CAUSE OF ACTION

12. On or about August 6, 1998, defendants caused to be published and published in the September 1998 issue of ELLE Magazine an article entitled "Do You Believe in Miracles?" (the "Article").

13. The Article, which appears on pages 312 through 322 of the September 1998 issue of ELLE Magazine, contains numerous false statements. Specifically, defendants made the following false and defamatory statements of and concerning plaintiff in the Article:

"...they [the Forum] take away the base that makes a moral view possible for each individual and call it freedom."

...The Forum is a mass-marketing pyramid scheme...

...trafficking in subtly coercive thought reform and bent on ensnaring the weak of character in a slick web of palliative jargon.

..."Welcome to your 'Forum!' she [Beth Handel, Forum leader] barks, launching into an impeccably executed performance laden with...pithy quotations ranging from philosopher (and Nazi sympathizer) Martin Heidegger...."

..."What does the Forum promise? With notable condescension Handel answers, "You'll get what you want by the end of the day That's just how it works."

...an idea purloined from the theories of Heidegger.

Is she saving our lives or is she reaching into our handbags for our checkbooks?...Beth Handel knows how to hustle.

My \$375 has bought me a flimsy synthesis of world philosophies, littered with the sort of aphoristic suggestions abundant in high school yearbooks.

...paralleling aspects of...Fascism, and carnival hucksterism.

...in a kind of informal hypnotic process people can become submissive to voices of authority through a series of indirectly applied techniques of suggestion. Such hypnosis, practiced without formal trance induction, employs jokes, confusion, guilt, humiliation, group pressure, and sleep deprivation to assert its control. The stories leaders tell -- known as "killer shares" among experts who study such self-actualization groups -- are rehearsed but apparently spontaneous anecdotes calculated to deliver an emotional message.

Strategically placed suggestions are another form of subtly coercive influence. When Handel says at the start of our group experience of fear, "There might be some crying during this exercise," the suggestion is that we *should* cry.

...there is, experts agree, a denigration of critical thinking.

...in the end, the transformational key the Forum offers is nothing more than words, *My life has been transformed*. Say it enough times and it might come true.

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

14. The Article, as a whole and, the use of the particular words set forth in paragraph 13 above, conveyed the following false and defamatory meanings of and concerning plaintiff:

- a. Landmark deprives participants of any moral viewpoint.
- b. Landmark is engaged in a mass-marketing pyramid scheme.

c. Landmark is engaged in criminal activity in its mass-marketing pyramid scheme.

d. Landmark is engaged in coercive thought reform.

e. Landmark targets the weak in character who it can more easily manipulate.

f. Landmark promulgates the ideas of Nazi sympathizers.

g. Landmark treats participants badly.

h. Landmark and its Forum leaders are more interested in getting money from participants than saving their lives.

i. Landmark's Forum leaders are engaged in hustling Forum's participants.

j. Landmark promulgates fascism and carnival hucksterism in its Forum sessions.

k. Landmark engages in informal hypnotic processes.

l. Landmark's Forum leaders use subtle coercive influence.

m. Landmark denigrates critical thinking.

n. Landmark engages in mind control and brain-washing.

15. The false and defamatory meanings and implications of and concerning plaintiff Landmark Education Corporation alleged in paragraphs 13 and 14 were also conveyed by the combination of individual statements contained in the Article, including the juxtaposition of words and statements to each other, which, in the aggregate, produced the false and defamatory inferences from which said meanings and implications were conveyed. Said false

and defamatory meanings of and concerning plaintiff were further conveyed by the false and defamatory portrayal of its Forum Leader, Beth Handel, as arbitrary, oppressive and malicious.

16. Defendants knew and intended that the particular statements set forth in paragraph 13 and in the Article as a whole (Exhibit "A") would convey each and every false and defamatory meaning and implication set forth in paragraph 14 of and concerning plaintiff. Such false and defamatory meanings were conveyed by the particular statements set forth in paragraph 13 and by the inferences drawn from the Article's statements in the aggregate.

17. Defendants' publication of the Article was made with actual malice in that the defendants knew that the aforesaid defamatory statements and meanings were false and/or published them or caused them to be published in reckless disregard of their truth or falsity and/or published them or caused them to be published without reasonable grounds for believing them to be true.

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

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

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

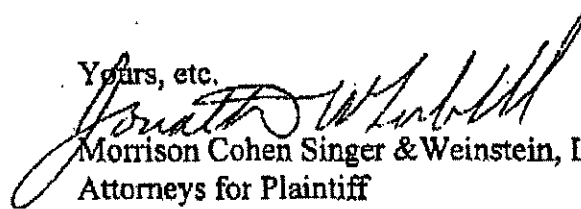
21. The publication of the Article and the said defamatory statements, implications and meanings alleged herein, were motivated by ill-will and defendants' desire to harm the plaintiff and its ability to function.

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

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

- (1) In an amount no less than \$5,000,000 in actual damages together with interest thereon;
- (2) In an amount no less than \$5,000,000 in punitive damages;
- (3) For the costs and disbursements in this action including reasonable allowances for counsel fees and other lawful expenses; and
- (4) For such other and further relief as the Court may find just and proper under the circumstances.

Dated: New York, New York
August 28, 1998

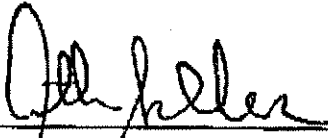
Years, etc.

Jonathan W. Weinstein, LLP
Attorneys for Plaintiff
750 Lexington Avenue
New York, New York 10022
(212) 735-8600

VERIFICATION

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


Arthur Schreiber, being duly sworn, deposes and says:

1. I am General Counsel to Landmark Education Corporation the Plaintiff herein.
2. I have read the foregoing Verified Complaint and know the contents thereof to be true except as those matters which are stated upon information and belief, and as to those matters, to the best of my information and belief, I believe they are true.

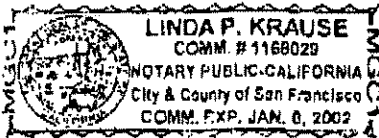


Arthur Schreiber

Sworn to before me this
28th day of August, 1998



Notary Public





In talking about the Landmark Forum, people with experience of this self-improvement seminar describe its impact in wildly disparate ways. Janet Jenkins,* a divinity student who completed the three-and-a-half-day weekend, calls it "a sort of religion with 'I' as God," while an enthusiastic young Forum volunteer tells me it's "a three-and-a-half-day intensive introduction to ideas and philosophies that will transform your life." James Williamson, an attorney at a high-powered law firm, says, "Either it's one of the most beneficial experiences I've ever had, or it's a complete con job." Kevin Garvey, a counselor who assists people coming out of cults or cultlike groups, says, "The Forum constitutes a brilliant anti-intellectual exercise . . . they take away the base that makes a moral view possible for each individual and call it freedom." Adam Kahn, who for two and a half years was deeply involved with Landmark and its advanced programs, expresses his present disillusionment by stating simply, "There's so much the Forum can't do."

Loosely classified as a large-group-awareness-training seminar and descended from the encounter-group movement of the '60s, the Landmark Forum is the introductory seminar to a series of self-actualization programs offered by the Landmark Education Corporation, an employee-owned company engaged in the booming business of "self-improvement." With last year's receipts of \$48 million, the corporation, which has around 300 paid employees (including forty-odd charismatic seminar leaders), boasts an army of some 7,000 volunteers worldwide. Volunteer hours invested in Landmark's programs and recruitment bespeak a level of customer satisfaction unheard of in most for-profit corporations. On the other hand, the sort of overzealous efforts Landmark's volunteers tend to display on the corporation's behalf are precisely what disturbs skeptics, many of whom feel that the Forum is a mass-marketing pyramid scheme, trafficking in subtly coercive thought reform and bent on ensnaring the weak of character in a slick web of palliative jargon. >

PHOTO ILLUSTRATION BY KYLEA PUGHING (HAR AND MARKUP BY FELIPECO NAVARRO FOR BRADLEY CURRY LOFF) *MOST NAMES AND IDENTIFYING TAILS HAVE BEEN CHANGED

give her. Making her wrong will get him nowhere. A woman tells us she has problems with her sister, a man has been scarred by his father's violent treatment of him. The suffering contained in this ugly room is palpable.

Eventually Handel gives us a chance to drop out if we don't like what we've seen so far. "You can leave now and get all your money back." After this point, we'll be free to leave, but without a refund. A young man stands up and asks where morality fits into the Forum's philosophy. Handel says, "There is no right or wrong here, Arthur. It's not about judging. It's not about morality."

Arthur expresses an objection. Handel snaps, "You don't agree with most things, Arthur, with what most people say." The room goes deathly quiet. Arthur asks if the Forum aims to teach people that they have no moral obligation. Skeptical questions and searing answers fly back and forth until finally Handel interrupts him with "All I'm doing, Arthur, is holding up a mirror to you. You are opinionating. What you're doing now is what you do to everyone." She turns to the audience. "You are all so busy judging and evaluating and opinionating that you can't hear anyone else!" Arthur says, "But responsibility . . ." Handel cries, "You have no clue!"

A man at the back of the room, bored with this seemingly pointless wrangle, shouts out, "Cut him loose. Please!" Handel freezes, and like Mary Poppins sizing up the messy nursery, she turns her icy eye on the room. "No!" she says, one admonishing finger raised in authoritative warning. "We do not do that in the Forum. You are making it unsafe. We make it safe here."

Arthur asks what the Forum's position is on right and wrong. Handel says, "There is no truth. The whole truth is your speaking the truth. What you say." Arthur has difficulty with this solipsistic approach and chooses to take his refund and go home. The rest of the class nervously remains. Now that we're financially bound, Handel tells us we'll get tremendous value out of the Forum, by Monday our lives will be transformed, but we won't really know how to use the tools we've been given unless we sign up for Landmark's Advanced Course, an intensive four-and-a-half-day, \$700 seminar in which we'll continue to progress.

With the reminder that we have no right to expect the results if we don't follow the rules, we take our break. I walk around the block a few times, looking at my watch and wondering what I've gotten myself into. When we return, forty of us find the conference-room door shut against us. My watch indicates we have three minutes to go. The man next to me says his watch agrees. I ask the guard what his watch says. "Well, actually, my watch isn't working," he says sheepishly. "But they told me to close the door."

The not-so-subtle lesson is that we must operate according to the elusive Landmark clock instead of our own. I want to raise my hand and complain about what I perceive as a manipulative trick, but when the man finally opens the door for us, I go obe-

diently back to my seat and sit quietly while Handel continues outlining concepts that can help us transform our existence into an "extraordinary life." The day's lecture is interspersed with exercises in which we turn to our neighbor and discuss what we've just heard or go to the microphone to share our experiences.

Handel offers more "breakthrough" anecdotes

from her life and the lives of clients (*They were married forty years, they did the Forum, they've been screwing every night since*), and more pithy quotations from Zen Buddhism, Nelson Mandela, G.B. Shaw, Charlie Parker. Stabbing at the blackboard with a river-thick piece of chalk, she posits one of the central rungs in the Forum's ideological ladder: The way we live is based on an unreality we ourselves concoct. With our interpretations, speculations, and opinions we invest "what happened" with our emotions and come up with a story that has nothing to do with reality. This is what's "killing" our lives. If we don't get rid of the story, it will appear again and again in our future. "You're living out of a story you made up!" Handel cries.

People smile, heads nod. We're introduced to the concept of the "racket," what Handel tells us is "a fixed way of being plus a persistent complaint." We are all running rackets that allow us to make ourselves right while making others wrong. And while our racket seems to give us a degree of protection and satisfaction, it is costing us "love, vitality, fulfillment, self-expression."

"I have heard stories that would shock you," Handel says of her experience leading the Forum all over the world. In one group she had a man who survived a Nazi death camp. All his life he had remained psychologically in the camp because he couldn't get rid of his "racket" against the camp guards. "When he could finally forgive, he was out of the camp." (How he managed to forgive is a minor detail not explained.) "You have to complete with people before you can move forward. Start to speak what just came up for you in this."

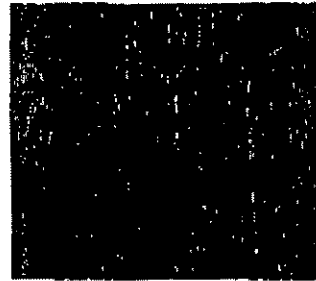
People line up at the microphones. A man wants to "complete" with his alcoholic mother, a woman has trouble with intimacy. Some people weep, some express anger at the world. A young woman says she's having difficulty with the idea of "completing" with her father because he's abusive. She keeps hoping things will change, but . . .

"It's never going to change!" Handel hollers at her. The girl says, "Should I continue to embrace this man who . . ."

"You've never embraced! You don't have a clue!" "Well, how do you establish a way of loving yourself and still allow this man to treat you in a crappy way. Is that not some form of self-abuse?"

Handel points a finger and shouts, "You are a racketeer!" The problem lies with the girl, not with her father. She can't change him; she must change the way she thinks of him. She doesn't have to approve of his behavior, but she has to surrender her "right to resent" him, let him know she loves him.

In the course of the weekend we are instructed that the >



I want to ask "why" but I know by now that "why" questions are dismissed in the Forum.

choose "a possibility of being." People stand and say what possibilities they have chosen. Loving. Fearless. Successful. Rich. Forgiving. Effective. The world is what we call it. If we adopt the Forum's language of positivity, distinction, and possibility (if we "speak" a "possibility"), combine it with the Forum's concept of fact versus story, and throw in the mantra *This shall be*, we'll get our transformation.

Each day ends with a homework assignment that involves making phone calls or writing letters to people we want to "complete" with. I go home, bleary-eyed, with Handel's prefab English echoing in my ears. *Impactful* instead of *affecting*. *Speak* instead of *say*. *Listen* as a transitive verb. "When you grant somebody else being, you're creating them as themselves" and "Be with your headache," she says. I don't want to be with my headache. I want to drink beer and take aspirin. Instead, dutifully, I do my homework. "Don't go home and complain about what they did to you today!" Handel shouts in her best Joan Rivers voice, floating her warning on a lily pad of humor. "The language in here is for here. Leave it here." I want to ask "why," but I know by now that "why" questions are dismissed in the Forum.

"Sunday will be a day you will never get over!"

Handel says mysteriously from her high chair, her shoes kicked off and her feet tucked under her. An assistant keeps stepping up to her with a steady stream of folded notes, and Handel flicks them open with icy efficiency as people tell their stories: Her brisk perfection has begun to annoy me. The microphone on her lapel, the transmitter attached to her waist under her jacket, its antenna sticking out behind her like a lobster's feeler, the automatic patter, the overrehearsed stories, the generic objectification of people's heartaches. "You keep being in your mind a bad mother: What's the payoff?!" she says loudly to one woman while idly picking lint from her jacket sleeve. She banishes a woman's headache onstage with a kind of pseudo hypnosis. "Isn't that cool?" she says, grinning, and cautions us not to try this at home. If we find a way to accept our headache, our tiredness, our anger, it will go away. She encourages us to experience our individual fear collectively, careful to alert us that some will find this exercise upsetting ("There might be some crying in the room"). *Be with our fear*, Handel tells us, locate it in our bodies, notice whether it moves. "Eyes closed! No talking!" Next we're instructed to be afraid of the two people next to us, then to be afraid of the entire room, then the seven million people in New York, until finally we should be afraid of the entire universe. On cue, the good students in the room begin crying and moaning. Slumped low in my seat, my head against the back of my chair, I can't help opening one eye to see what's going on around me. A pale-faced woman at the end of my row who had earlier said to me out on the sidewalk, "You single? Forum's a great way to meet people. I've done it twice," is rocking back and forth in her seat, crying and rubbing her thighs. Two rows behind me another woman has her face in her hands, her shoulders trem-

bling. Handel's noisy instructions rain relentlessly down on us. Now we're informed there's a flip side to this exercise that we'll find enormously funny. Within minutes, people are laughing. The funny thing is, Handel explains, while you're busy being afraid of the world, the world is afraid of you.

We've hardly recovered from this exercise when Handel hits us with another sales pitch. Tonight we can avail ourselves of a super-bonus homework exercise involving "risk and unreasonableness." If we're brave, we'll call three people and invite them to the Tuesday night meeting of the Forum. Unbelievably, unabashedly, Handel says, "Being 'unreasonable' means doing it when you don't even understand it!" She is careful to say that we will still get full value from the Forum if we don't do the super bonus, but if we do, our returns will be greater.

A young man gets up and says, "I'm afraid of you, Beth. Some of us have heard this is a marketing scheme." He wants his risk taking to involve something other than recruitment for the Forum. "I want you to say to us that you're interested in making money." Handel turns her palms up and shrugs, "I don't do anything if you don't pay me! There's no secret here. This is a business like any other. You go to a restaurant, they give you a meal, you pay them. If you like what we give you, tell your friends!"

Before the man can protest further, Handel says instructively, "Joe, what's the possibility of being you've enrolled yourself into this weekend?" "Fearlessness," he says. Handel grins in victory. Although many people in the room obviously share Joe's senti-

ments, he is the only person who actually challenged her. With visible suddenness Joe gets the point. He pulls out a twenty dollar bill and says, with wonder, "Beth, I want to give you a tip."

People are clearly excited, tantalized, electrified by the level of confrontation and frankness.

People are clearly excited, tantalized, electrified by the level of confrontation and frankness. Some are already adopting their new language. After one break, as we're hurrying back up the stairs, I hear a woman saying into a cell phone, "You always gave me the room to be who I wanted to be, Dad." People have had breakthroughs with their spouses and parents: "He didn't get mad at me when I said what I wanted." For many, this is the first time they've been encouraged to think about the nature of their lives and the harm their own perceptions can do them; what they've heard is nothing less than a revelation. During the breaks, people are lining up at the public telephones outside the building to "complete" with their friends and families and recruit them for the Tuesday-night meeting. One young man stands at the microphone to say he left a long message on his father's answering machine, his father called him back and left a great message in return, and he feels really good about it. Later he confesses to me his father didn't really call him back. I asked him why he told us otherwise. "I don't know," he says. "I wanted it to work."

On Sunday the grand punch line we've been waiting for—the point of the Forum—turns out to be an elementary exercise in existentialism. "Life is empty and meaningless. . . . What's out there is *nothing* and you make it mean a thousand things it doesn't mean." This is what we've paid for: The news that the way we think about life is surreal, debilitating, and above all >

that you are in a trap," Handel says. We are instructed to be "unreasonable" on Monday when we go back into "the world." "Share with people, enroll people, invite them to come Tuesday night," she says. "Who's going to do it, stand up." A lot of people stand up. She warns us to be careful how we spread the word, likening those who haven't been enlightened to shipwrecked people laboriously rowing a foundering boat. She introduces the beaming volunteers hovering at the back of the room. Soberly Handel tells us that the volunteer work has transformational value. A tear rolls down one volunteer's cheek. As she's saying good-bye, Handel's own eyes fill up with tears. With her hands in the position of prayer she says, "It was a privilege to serve you."

My Forum is over. Almost. On Tuesday night Handel shows up in pink-and-black high-heeled lace-up shoes, like a Victorian granny's boots. She is overanimated, high on her performance, cackling campily like a Hollywood witch. Most of us have brought guests to the meeting. My classmates offer inspirational testimonials. Marie says, "The Forum showed me how to look at myself." Joan, an actress, saw people making a movie and went right up and asked if she could be in their film. Handel focuses on the guests, pressing her foot to the recruiting pedal. "It took me ten years to find myself. We say that it will take six months in the Forum. You ask, How do they do that? You can't explain it. I'm going to invite you to take a leap, trust the person who brought you, and sign up for the Forum. If you aren't signing up, you're on the fence. Being on the fence is probably what stops you in the rest of your life. The people who brought you here are standing for your greatness."

Is she saving our lives or is she reaching into our handbags for our checkbooks? "We will train you to use your future to make your future," she says, pitching the Advanced

Course to the graduates. And we'll get \$100 off the tuition if we sign up right now. Amazingly, more than half the room is signing up. Beth Handel knows how to hustle.

My \$375 has bought me a flimsy synthesis of world philosophies, littered with the sort of aphoristic suggestions abundant in high school yearbooks ("Be yourself and you'll be more than you ever thought of being"—Janis Joplin), paralleling aspects of Plato's allegory of the Cave, Alcoholics Anonymous, Freudian psychology, Christianity, positive thinking, Scientology, group therapy, Fascism, and carnival hucksterism. Saturday night's super-bonus homework assignment, with its proposition that the act of bringing new recruits to the Forum is itself a bold and transforming endeavor, sticks naggingly in my mind. Were a psychiatrist to suggest to a suffering patient, "Your therapy will

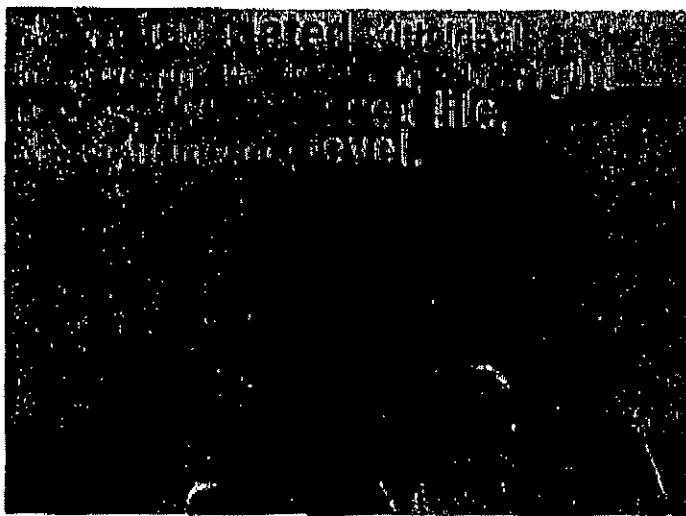
considered a bald abuse of power.

What exactly is happening here, and why do so many people relate to it? My suspicion is that because we so badly want what it is that we're looking for and because we have put our money down and expect a return, we're inclined to believe the Forum works. Moreover, as psychotherapist Milton H. Erickson, MD, has demonstrated, in a kind of informal hypnotic process people can become submissive to voices of authority through a series of indirectly applied techniques of suggestion. Such hypnosis, practiced without formal trance induction, employs jokes, confusion, guilt, humiliation, group pressure, and sleep deprivation to assert its control. The stories leaders tell—known as "killer shares" among experts who study such self-actualization groups—are rehearsed but apparently spontaneous anecdotes calculated to deliver an emotional message. Strategically placed suggestions are another form of subtly coercive influence. When Handel says at the start of our group experience of fear, "There might be some crying during this exercise," the suggestion is that we *should* cry. But anti-cult counselors say that the Forum itself is not a cult; in a cult members are encouraged to live within the group and are conditioned to be mistrustful of the outside world. The Forum doesn't do that, though there is, experts agree, a denigration of critical thinking. My classmate Janet Jenkins questions Landmark's capacity for self-criticism and objects to the program's sweeping advocacy

of indiscriminate forgiveness. "It's a premature leap to a predetermined reconciliation," Jenkins says, "as though every case is the same—it isn't. The human soul is complex; a quick fix is probably going to be temporary."

But of course the emphasis in our culture is on the quick fix. When Handel tells an overweight man that he has to accept his body before he can change it, she doesn't say *how* he will find a way to do that

in a culture where body image is crucial. Just do it? Just say no? Don't worry, be happy? In a commercial world the overriding idea is not to accept what you have, but to get what you don't have. We are inundated with ideals to strive for: the right car, the right clothes, the right sex life, the right income level. What's driving us to the Forum? Obviously we are in pain. But self-acceptance under the best circumstances takes a lifetime. The sort of intimacy and connection we're seeking can't be found in a weekend, no matter how much money we put down. A shallow Oprah world wants a shallow Forum solution. Everything else in the world can be bought, why not happiness? In the end, the transformational key the Forum offers is nothing more than words. *My life has been transformed.* Say it enough times and it might come true. □



PRESENT: Hon. EDWARD H. LEHNER

PART 19

Justice

LANDMARK EDUCATION

INDEX NO. 115-873/88

MOTION DATE 10/24/88

MOTION SEQ. NO. 007

MOTION CAL. NO. _____

HACARTY FLIPACCHI

SUPREME COURT
STATE OF NEW YORK
RECEIVED
APR 29 1999
J.S. MOTION
SUPPORT OFFICE

The following papers numbered 1 to _____ were read on this motion to/for _____

Notice of Motion/ Order to Show Cause Affidavits - Exhibits ...

Answering Affidavits - Exhibits _____

Repeating Affidavits _____

PAPERS NUMBERED

Cross-Motion: Yes No

Upon the foregoing papers, it is ordered that this motion

with accompanying memorandum decision ✓ motion is decided in accordance

FILED
MAY 03 1999
COUNTY CLERK'S OFFICE
NEW YORK

MOTION/CASE IS RESPECTFULLY REFERRED TO JUSTICE DATED: _____ J.S.C.

Dated: APR 28 1999

RA

Check one: FINAL DISPOSITION NON-FINAL DISPOSITION J.S.C.

C. H. ...

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK: IAS PART 19

-----X
LANDMARK EDUCATION CORPORATION,
a California corporation,

Plaintiff,

-against-

Index No.: 115873/98

HACHETTE FILIPACCHI MEDIAS GROUP, d/b/a
ELLE MAGAZINE and ROSEMARY MAHONEY,

Defendants.

-----X
EDWARD H. LEHNER, J.:

FILED
MAY 03 1999
COUNTY CLERK'S OFFICE
NEW YORK

The defendants Hachette Filipacchi Medias Group, d/b/a Elle Magazine ("Elle Magazine") and Rosemary Mahoney ("Mahoney") move for an order pursuant to CPLR 3211(a)7 dismissing the complaint for failure to state a cause of action.

The plaintiff Landmark Education Corporation ("Landmark") offers an educational program to the public. The program topics include communication, time management and productivity. The basic program is a seminar costing the sum of \$375 which takes place over three days. The stated goal of the program is to discover ways of enhancing productivity, improve relationships, and achieve greater satisfaction. The complaint alleges that an article about Landmark appearing in Elle Magazine, written by Mahoney, "conveyed ... defamatory meanings of and concerning plaintiff" including that 1) Landmark is engaged in a criminal mass marketing pyramid scheme aimed at the weak and easily manipulated, and employs hustlers as instructors;

001

2) Landmark uses coercive thought control, hypnotic processes and brain washing to denigrate critical thinking and common notions of morality; and 3) Landmark promulgates the ideas of Nazi sympathizers, fascists and carnival hucksters. Mahoney wrote the article after attending a forum conducted by Landmark's employee Beth Handel.

The following 13 specific alleged defamatory statements are set forth in the complaint: (1) "... they [the forum] take away the base that makes a moral view possible for each individual and call it freedom"; (2) The Forum is a mass-marketing pyramid scheme ...; (3) trafficking in subtly coercive thought reform and bent on ensnaring the weak of character in a slick web of palliative jargon; "Welcome to your 'Forum!' she [Beth Handel, Forum leader] barks, launching into an impeccably executed performance laden with...pithy quotations ranging from philosopher (and Nazi sympathizer) Martin Heidegger ..."; (5) "What does the Forum promise?" With notable condescension Handel answers, "You'll get what you want by the end of the day That's just how it works."; (6) an idea purloined from the theories of Heidegger.; (7) Is she saving our lives or is she reaching into our handbags for our checkbooks?... Beth Handel knows how to hustle.; (8) My \$375 has bought me a flimsy synthesis of world philosophies, littered with the sort of aphoristic suggestions abundant in high school year books; (9) paralleling aspects of... Fascism, and carnival hucksterism.;

(10) in a kind of informal hypnotic process people can become submissive to voices of authority through a series of indirectly applied techniques of suggestion. Such hypnosis, practiced without formal trance induction, employs jokes, confusion, guilt, humiliation, group pressure, and sleep deprivation to assert its control. The stories leaders tell- known as "killer shares" among experts who study such self-actualization groups- are rehearsed but apparently spontaneous anecdotes calculated to deliver an emotional message; (11) Strategically placed suggestions are another form of subtly coercive influence. When Handel says at the start of our group experience of fear, "There might be some crying during this exercise," the suggestion is that we should cry.; (12) there is, experts agree, a denigration of critical thinking.; (13) in the end, the transformational key the Forum offers is nothing more than words, *My life has been transformed*. Say it enough times and it might come true.

In support of their motion to dismiss, the defendants argue that the complaint fails to state a cause of action for product disparagement because: it fails to plead special damages; the complained of statements are not of and concerning the plaintiff; the statements are not defamatory; and they constitute protectible opinion. In opposition to the motion to dismiss, the plaintiff argues that the article is about Landmark, the statements are defamatory rather than product disparagement, and the statements are not opinion.

The standard to be applied on a motion to dismiss a defamation complaint for legal insufficiency is: "If, upon any reasonable view of the stated facts, plaintiff would be entitled to recovery for defamation, the complaint must be deemed to sufficiently state a cause of action." (*Silsdorf v Levine*, 59 NY2d 8, 12 [1983], cert. denied 464 US 831 [1983]). In order to prevail on a product disparagement claim, the plaintiff must prove both malice and special damages (*Ruder & Finn v Seaboard Surety Co.*, 52 NY2d 663, 670-671 [1981]). Actual malice is defined as making an alleged false statement with knowledge that it was false or with reckless disregard as to whether it was false or not (*New York Times Co. v Sullivan*, 376 US 254, 280 [1964]; *Thanasoulis v National Association for the Specialty Foods Trade, Inc.*, 226 AD2d 227, 228 [1st Dept 1996]).

As in any libel action, the court has the obligation to accord protection to a party's reputation without impairing our "cherished constitutional guarantee of free speech" [*Immuno, A.G. v Moor Jankowski*, 77 NY2d 235, 256 (1991)]. In this regard, our Court of Appeals has indicated the particular value of summary adjudication "where appropriate" in libel cases (*id.*).

For there to be recovery in libel, it must be established that the defamation was "of and concerning the plaintiff" (*Gross v Cantor*, 270 NY 93, 96 [1936]). The plaintiff need not be named in the publication but, if it is not, the plaintiff must sustain

the burden of pleading and proving that the defamatory statement referred to it. The reference to the plaintiff may be indirect and may be shown by extrinsic facts. Where the plaintiff relies on extrinsic facts to prove such reference, the plaintiff must show that it is reasonable to conclude that the publication refers to it and the extrinsic facts upon which that conclusion is based were known to those who read the publication (*Geisler v Petrocelli*, 616 F2d 636 [2d Cir 1980]). Here plaintiff has sufficiently pled facts to satisfy this requirement.

Whether particular words are defamatory presents a legal question to be resolved by the court in the first instance (*Weiner v Doubleday & Co.* 74 NY2d 586, 592 [1989], cert denied 495 US 930 [1990]; *Millus v Newsday, Inc.*, 89 NY2d 840, 842 [1996]). The words must be construed in the context of the entire publication as a whole, tested against the understanding of the average reader, and if not reasonably susceptible of a defamatory meaning, they are not actionable and cannot be made so by a strained or artificial construction (*Carney v Memorial Hospital and Nursing Home of Greene County*, 64 NY2d 770 [1985]; *Steinhilber v Alphonse*, 68 NY2d 283 [1986]).

A statement is not actionable if it is an expression of pure opinion, no matter how vituperative or unreasonable it may be. Four factors are considered in making this assessment: (1) whether the specific language employed is either precise or vague

and ambiguous, (2) whether the statement may be objectively characterized as either true or false, (3) the context in which the statement appears and (4) the broader social setting surrounding the communication, including a custom or convention which might serve to indicate that it is an expression of opinion and not fact (Steinhilber v Alphonse, [supra]; Brian v Richardson, 87 NY2d 46, 51 [1995]).

The plaintiff has not pled special damages in the complaint. This failure mandates dismissal of the complaint to the extent the complaint can be read to plead product disparagement. A reading of the complaint leads to the inescapable conclusion that it is in fact for disparagement of plaintiff's product, to wit; the subject course. Additionally, the complaint must be dismissed for failure to adequately plead actual malice. The complaint makes a conclusory allegation of such malice, but no facts are pled indicating that the defendants entertained any serious doubts as to the veracity of their article (see, Freeman v Johnston, 84 NY2d 52, [1994], cert. denied 513 US 1016 [1994]).

Finally, the court finds that the statements are not reasonably susceptible of a defamatory meaning, and are constitutionally protected expressions of opinion. Pure opinion is a statement accompanied by a recitation of the facts upon which it is based or does not imply that it is based upon undisclosed facts (Steinhilber v Alphonse, supra, 68 NY2d at 289). Here, contrary to the plaintiff's assertion, the expressions of

opinion were sufficiently supported by a recitation of the underlying facts. Nor are any of the alleged defamatory words referring to a "pyramid scheme" reasonably susceptible to a connotation of criminality. See, 600 West 115th Street Corp. v Von Gutfeld, 80 NY2d 130 (1992); Coffee v Arnold, 104 AD2d 352 (2d Dept 1984).

Accordingly, the clerk shall enter judgment dismissing the complaint.

Dated: April 28, 1999

Enter:


FILED 
MAY 03 1999 J.S.C.
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NEW YORK

EXHIBIT E



Peter L Skolnik

04/01/2005 04:25 PM

To: dlans@cohenlans.com
cc: rickross@rickross.com
Subject: Landmark v. Ross

Please see the attached:



1608512 - 4-1 ltr deborah e. lans.

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