

STATE OF NEW YORK
SUPREME COURT

COUNTY OF SCHENECTADY

BALDWIN RESEARCH INSTITUTE, INC. and
GERALD BROWN,

Plaintiffs,

-against-

ALCOHOLICS ANONYMOUS WORLD
SERVICES, INC.

Defendant.

**NOTICE FOR
DISCOVERY AND
INSPECTION OF
DOCUMENTS AND
COMBINED DEMANDS**

Index No.: 97-0774

SIRS:

PLEASE TAKE NOTICE, that pursuant to the provisions of Rules 3102(a) and 3120 of the CPLR of the State of New York, you are hereby required to produce at the offices of Roche, Corrigan, McCoy & Bush, 36 South Pearl Street, Albany, New York, 12207, within twenty (20) days of receipt of this Notice, the following documents in your possession, custody and control for the inspection by the undersigned, and to permit the undersigned to take copies thereof, or in the alternative, to supply the undersigned with true and accurate copies of same with a verified statement as to such accuracy:

1. Copies of any and all correspondence and/or documents between the plaintiff and defendants concerning the services rendered by each.
2. Copies of tax returns for three years prior to the incidents alleged in the complaint to the present showing alleged loss income.
3. Copies of all financial documents for three years prior to the accident to the present.
4. Copies of the articles allegedly published by the defendants concerning the

alleged defamatory statements of the defendants.

5. Copies of all documents concerning the projects which were going to be initiated and then postponed.

6. Copies of all documents indicating the business that was to be conducted with the Lake Placid High School and Saranac High School.

7. Copies of all documents concerning the Jude Thaddeus Academy project and/or secondary school.

8. Copies of the notification to the Attorney General's Office indicating that the plaintiff was going to be bringing this lawsuit.

9. Copy of the certificate of incorporation of Baldwin Research Institute, Inc.

10. Copy of the by-laws of the corporation.

11. Copies of all project documents for the Hagaman Guest House and Old Fashioned Alcoholics Anonymous.

12. Copy of the Hudson-Mohawk-Berkshire newsletter referred to in paragraph "10" of the complaint.

13. Copies of any documents with respect to said marketing and research projects referred to in paragraph "19" of the complaint.

14. Copies of mailings and other correspondence referred to in paragraph "21" of the complaint.

COMBINED DISCOVERY DEMANDS

PLEASE TAKE NOTICE that pursuant to Article 31 of the Civil Practice Law and Rules, the undersigned hereby makes the following demands:

DEMAND FOR PARTY STATEMENTS

Demand is hereby made that pursuant to CPLR 3101(e) the plaintiff produce a copy of any and all statements of , a party herein, or by such party's agent, servant, employer or other representative, whether made or given to plaintiffs, or its agent, servant, employee or representative. If there are no such statements, then the responding party should so state.

This demand is intended to encompass all written statements, or transcripts, tapes or other recordings or any oral statements whether made in person, by telephone, or other mechanical means.

If only oral statements exist, without being recorded or transcribed in any way, the undersigned requests a written verified statement as to the nature, subject matter and substance of such statement by a party represented by the undersigned, including the date, time and place of such statements, and the names/addresses of the parties and witnesses thereto.

DEMAND FOR WITNESSES

Demand is hereby made that all parties hereby furnish a complete list of the names and addresses of any and all witnesses, obtained at the scene of the occurrence or through subsequent investigation, with first-hand knowledge of:

- a. the happening of the occurrence alleged in the complaint;
- b. any acts, omissions, or conditions which allegedly caused the occurrence alleged in the complaint; or If no such witnesses are known, so state in reply to this demand.

DEMAND FOR EXPERT WITNESSES

Pursuant to CPLR 3101(d)(1), each party to the action is hereby required to provide the undersigned with the following information:

1. The name and address of each person who will be called as an expert witness at trial.
2. The subject matter, disclosed in reasonable detail, on which each expert is expected to testify, regarding either incident referred to in the complaint.
3. The substance of the facts and opinions on which each expert is expected to testify, disclosed in reasonable detail.
4. The qualifications of each expert witness disclosed in reasonable detail.
5. A summary of the grounds for each expert's opinion, disclosed in reasonable detail.

PLEASE TAKE FURTHER NOTICE that these demands shall be deemed to continue during the pendency of this action, including the trial thereof. In the event of your failure or refusal to comply with these demands, the undersigned shall apply to the court for an order compelling compliance pursuant to CPLR 3124 to preclude any testimony or the admission into evidence of any materials or information with regard to any demands not complied with, or for other appropriate sanctions pursuant to CPLR 3126.

DEMAND FOR EMPLOYMENT RECORDS

If applicable, pursuant to CPLR 3101, demand is hereby made for duly executed and acknowledged written authorizations permitting the undersigned or its representative to obtain and make copies of the records of each and every employer for whom plaintiff worked or has worked for a period of three years prior to the complained of occurrence to date.

DEMAND FOR INCOME TAXES

PLEASE TAKE NOTICE, that pursuant to the rules of CPLR 3120, demand is hereby made to the plaintiff to produce all income tax returns for the year 1993 to the present.

DATED: June 24, 1997

Yours, etc.

ROCHE, CORRIGAN, McCOY & BUSH
Attorneys for Defendant
The Wilem Van Zandt Building
36 South Pearl Street
Albany, NY 12207
(518) 436-9370

TO: DeLorenzo, Gordon, Pasquariello,
Weiskopf & Harding, P.C.
Attorneys for Plaintiffs
201 Nott Terrace
Schenectady, NY 12307
(518) 374-8494

STATE OF NEW YORK, COUNTY OF ALBANY

SS.:

AFFIDAVIT OF SERVICES

PATRICIA E. MELAMED

, being duly sworn, depose and say: that I am over the age

of 18 years, not a party to this action, and reside at

ALBANY, NY

. I served, on

June 25th 19 97, the within Notice for Discovery and Inspection and Combined DenCheck
Applicable
BoxService by
Mail

☒ by depositing a true and correct copy of the same enclosed in a post-paid wrapper in an Official Depository maintained and exclusively controlled by the U.S. Postal Service within New York State, directed to said person(s) at respective said address(es) mentioned below, that being the address(es) within the state designated for that purpose upon the last papers in this action or the place where the below then resided or kept offices according to the best information which can be conveniently obtained.

Personal Service
on Individual

☐ by delivering a true copy thereof personally to each person named below at the address indicated. I knew each person served to be the person mentioned and described in said papers as a party therein.

Service by
Electronic Means

☐ by transmitting the papers by electronic means to the telephone number listed below, which number was designated by the attorney for such purpose. I received a signal from the equipment of the attorney served indicating that the transmission was received. I also deposited a true copy of the papers, enclosed in a post-paid wrapper, in an official depository maintained and exclusively controlled by the U.S. Postal Service, addressed to the attorney at the address set forth after the name below.

Overnight Delivery
Service

☐ by depositing a true copy thereof, enclosed in a wrapper addressed as shown below, into the custody of _____ for overnight delivery, prior to the latest time designated by that service for overnight delivery.

If more than one box
is checked, indicate
after names the type
of service used.

DeLorenzo, Gordon, Pasquariello,
Weiskopf & Harding, P.C.
201 Nott Terrace
Schenectady, NY 12307

Sworn to before me, this 25th day of June, 19 97

Notary Public — Commissioner of Deeds

(PRINT NAME BELOW SIGNATURE)

PATRICIA E. MELAMED

STATE OF NEW YORK, COUNTY OF ALBANY

SS.:

VERIFICATION

, being duly sworn, depose and say that deponent is in the within action; that deponent has and knows the contents thereof; that

read the foregoing the same is true to deponent's own knowledge, except as to the matters therein stated to be alleged on information and belief, and that as to those matters deponent believes it to be true.

the of the corporation named in the within action; that deponent has read the foregoing and knows the contents thereof; and that the same is true to deponent's own knowledge, except as to the matters therein stated to be alleged upon information and belief, and as to those matters deponent believes it to be true.

The grounds of deponent's belief as to all matters not stated upon deponent's knowledge are as follows:

Sworn to before me, this day of 19

(PRINT NAME BELOW SIGNATURE)

Notary Public — Commissioner of Deeds

STATE OF NEW YORK, COUNTY OF

SS.:

ATTORNEY'S AFFIRMATION
or CERTIFICATION

The undersigned, an attorney admitted to practice in the courts of New York State,

Certification
By Attorney

☐ certifies that the within copy has been compared by the undersigned, with the original filed and found to be a true and complete copy thereof (pursuant to Sec. 2105 CPLR).

Attorney's
Affirmation

☐ shows deponent is the attorney of record, or of counsel with the attorney(s) of record for

in the within action; deponent has read the foregoing and knows the contents thereof; the same is true to

deponent's own knowledge, except as to the matters therein stated to be alleged on information and belief, and that as to those matters deponent believes it to be true. This verification is made by deponent and not by

The grounds of deponent's belief as to all matters not stated upon deponent's knowledge are as follows:

The undersigned affirms that the foregoing statements are true, under the penalties of perjury.

Dated:

STATE OF NEW YORK
SUPREME COURT COUNTY OF SCHENECTADY

BALDWIN RESEARCH INSTITUTE, INC. and
GERALD BROWN,

Plaintiffs,

**DEMAND FOR
INTERROGATORIES**
Index No.: 97-0774

-against-

ALCOHOLICS ANONYMOUS WORLD
SERVICES, INC.

Defendant.

SIRS:

PLEASE TAKE NOTICE that the defendant, hereby demands that the plaintiffs, answer the following written interrogatories pursuant to the provisions of CPLR 3130 within twenty (20) days of the service of this demand and further, should the plaintiff fail to so answer, that the plaintiff be precluded from producing evidence at the time of trial with respect to any of the elements cause of action for which it was failed to properly and adequately respond:

1. Identify the individual who is answering the interrogatories, setting forth their date of birth, social security number.
2. Set forth the date of the incorporation of Baldwin Research Institute, Inc.
3. Set forth the date the plaintiffs began and continued to run non-profit projects known as the Hagaman Guest House and Old Fashioned Alcoholics Anonymous.
4. Set forth and identify the defamatory remarks made by the defendants, their agents and employees and identify the agents and employees.
5. Set forth the dates said defamatory remarks were made, to whom they were made.

If they are in writing, attach copies hereto.

6. Set forth each and every way it will be alleged the remarks were defamatory.

7. Identify each and every item of damage suffered by the plaintiffs as a result of said defamatory remarks.

8. With respect to the allegations contained in paragraph "8" of the complaint:

- a) Set forth the date(s) it will be alleged that remarks were made comparing the Haganan Guest House to a cult.
- b) Set forth each and every way it will be alleged said remarks were defamatory.
- c) Set forth the dates it will be alleged the plaintiffs were accused of being involved in the disappearance of children.
- d) Set forth to whom said accusations were made, by whom they made.
- e) Set forth each and every item of damage suffered by the plaintiffs as a result of said allegations.

9. Set forth the facts upon which the plaintiffs will rely for the allegations that the defamatory remarks were made for the sole purpose of driving away any potential or current clients by defaming the reputations of Baldwin Research Institute and Gerald Brown.

10. Set forth and identify by name and address any potential or current clients that were driven away as a result of said remarks.

11. Set forth the damages that will be alleged plaintiffs incurred as a result of said clients being driven away.

12. Set forth the monetary compensation that the plaintiffs received as a result of receiving clients for treatment. Set forth the programs and how each one works.

13. Set forth the facts upon which plaintiff will rely for the allegations that 11,000 AA members have been directly or indirectly reached by the newsletter.

14. Set forth the facts upon which plaintiff will rely for the allegations that the remarks influenced a large portion of the plaintiff's potential clients as alleged in paragraph "13" of the complaint.

15. Set forth the number of clients prior to the publication of the newsletter; set forth the number that came from AA; set forth the number of clients after the newsletter was published.

16. With respect to the allegations contained in paragraph "14" of the complaint:

a) Identify by name and address the potential client referred to therein.

b) Set forth each and every way it will be alleged the defendants, its agents or employees interfered with the potential client.

c) Set forth each and every way said interference was malicious.

d) Set forth and identify the individuals who were involved with interfering with the client;

e) Set forth each and every way said client was interfered with;

f) Set forth and identify the erroneous remarks referred to.

17. With respect to the allegations contained in paragraph "15" of the complaint:

a) Identify the statements referred to.

b) Identify the client referred to.

c) Identify who relayed the statements to said client.

d) Identify any witnesses thereto.

18. With respect to the allegations contained in paragraph "16" of the complaint:

a) Set forth the dates for which the plaintiff was seeking funding to start a secondary school.

- b) Identify the sources of said funding.
 - c) State whether any funding was denied as a result of any alleged defamatory statements made by the defendant and if so, identify the entity or individual(s) that denied said funding.
19. With respect to the allegations contained in paragraph "17" of the complaint:
- a) Set forth the dates of the two separate occasions the defendant, through its employees and agents, maliciously interfered with the opportunity to conduct business with the Lake Placid High School and Saranac High School.
 - b) Set forth and identify the business that the plaintiff was going to conduct with Lake Placid High School.
 - c) Set forth and identify the business the plaintiff was going to conduct with the Saranac High School.
 - d) Set forth and identify the individual(s) who did interfere with the opportunity to conduct business.
 - e) Set forth each and every way it will be alleged said interference was malicious.
 - f) Set forth each and every item of damage suffered by the plaintiff as a result of said alleged interference with the opportunity to conduct business with the Lake Placid High School.
 - g) Set forth each and every item of damage suffered by the plaintiff as a result of said alleged interference with the opportunity to conduct business with the Saranac High School.

20. Set forth the length of time the project referred to in paragraph "18" has been temporarily discontinued.

21. Set forth and identify the marketing and research projects that the plaintiffs had to cancel and provide copies of any documents with respect to said marketing and research projects and any documents indicating the reasons why they were cancelled.

22. Set forth and identify the marketing and research projects that the plaintiffs had to postpone and provide copies of any documents with respect to said marketing and research projects and any documents indicating the reasons why they were postponed.

23. Set forth and identify the amount of funding that was to be used for the cancelled and postponed projects.

24. Set forth each and every way it will be alleged said funding was being used to rebuild the character of the plaintiff's business.

25. Set forth each and every way it will be alleged that AA has adopted the acts of its agents, employees and members and identify its agents, employees and members referred to.

26. With respect to the allegations referred to in paragraph "21" of the complaint:

- a) Set forth the rumors referred to.
- b) Identify the meetings and the dates of same.
- c) Identify the mailings and dates of same.
- d) Set forth the other correspondence referred to and attach copies of the mailings and correspondence hereto.

27. Set forth each and every way it will be alleged that the plaintiff's business has been harmed by the false allegations. If loss of income is alleged, set forth the dates of said loss of income and the amounts of same.

28. Set forth each and every way it will be alleged that the allegations concerning missing children are false.

29. Set forth each and every way it will be alleged that the allegations made by the defendant concerning FBI investigations are false.

30. Set forth each and every way it will be alleged that the allegations made by the defendant concerning cult practices are false.

31. Set forth each and every way the allegations made by the defendant concerning missing children were published in a defamatory manner.

32. Set forth each and every way it will be alleged said allegations concerning the missing children were defamatory.

33. Set forth each and every way it will be alleged said allegations concerning the missing children were false.

34. Set forth each and every way the allegations made by the defendant concerning FBI investigations were published in a defamatory manner.

35. Set forth each and every way it will be alleged said allegations concerning the FBI investigations were defamatory.

36. Set forth each and every way it will be alleged said allegations concerning the FBI investigations were false.

37. Set forth each and every way the allegations made by the defendant concerning cult practices were published in a defamatory manner.

38. Set forth each and every way it will be alleged said allegations concerning cult practices were defamatory.

39. Set forth each and every way it will be alleged said allegations concerning cult

practices were false.

40. Set forth the facts upon which plaintiff will rely for the allegations that the defendant knew said allegations were false.

41. Set forth each and every way it will be alleged the defendant failed to take proper steps to ascertain the accuracy of said allegations concerning missing children.

42. Set forth each and every way it will be alleged the defendant failed to take proper steps to ascertain the accuracy of said allegations concerning FBI investigations.

43. Set forth each and every way it will be alleged the defendant failed to take proper steps to ascertain the accuracy of said allegations concerning cult practices.

44. Set forth each and every way it will be alleged the defendant published said allegations concerning missing children with reckless disregard of the facts.

45. Set forth each and every way it will be alleged the defendant published said allegations concerning FBI investigations with reckless disregard of the facts.

46. Set forth each and every way it will be alleged the defendant published said allegations concerning cult practices with reckless disregard of the facts.

47. Set forth each and every way it will be alleged that said publications were made with actual malice.

48. Set forth each and every way it will be alleged that said publications were made with design and intent to defame and injure the plaintiffs.

49. Set forth each and every way it will be alleged that said publications were made in reckless disregard for the truth.

50. Set forth each and every way it will be alleged that the defendants participated in the publications.

51. Set forth the business and substantial profits that it will be alleged the plaintiff has been deprived of.

52. Set forth each and every way it will be alleged that the plaintiff has been otherwise damaged.

53. Set forth each and every way it will be alleged that the plaintiff has been injured in its integrity.

54. Set forth each and every way it will be alleged that the plaintiff has been injured in its reputation.

55. For the year 1990, set forth the number of referrals the plaintiff received from AA.

56. For the year 1991, set forth the number of referrals the plaintiff received from AA.

57. For the year 1992, set forth the number of referrals the plaintiff received from AA.

58. For the year 1993, set forth the number of referrals the plaintiff received from AA.

59. For the year 1994, set forth the number of referrals the plaintiff received from AA.

60. For the year 1995, set forth the number of referrals the plaintiff received from AA.

61. For the year 1996, set forth the number of referrals the plaintiff received from AA.

62. For the year 1997, set forth the number of referrals the plaintiff has received from AA.

63. Set forth the facts upon which plaintiff will rely for the allegations that AA had knowledge of the facts that plaintiff relied on the referrals for substantial part of their clientele.

64. For the year 1990, set forth the total number of clients that plaintiff had and the number of clients that came from AA.

65. For the year 1991, set forth the total number of clients that plaintiff had and the number of clients that came from AA.

66. For the year 1992, set forth the total number of clients that plaintiff had and the number of clients that came from AA.

67. For the year 1993, set forth the total number of clients that plaintiff had and the number of clients that came from AA.

68. For the year 1994, set forth the total number of clients that plaintiff had and the number of clients that came from AA.

69. For the year 1995, set forth the total number of clients that plaintiff had and the number of clients that came from AA.

70. For the year 1996, set forth the total number of clients that plaintiff had and the number of client that came from AA.

71. For the year 1997, set forth the total number of clients that plaintiff has and the number of clients that have come from AA.

72. Set forth each and every way it will be alleged that AA continues to downplay plaintiff's success.

73. Set forth and identify the unconventional practices referred to in paragraph "35" of the complaint.

74. Set forth and identify the other businesses that AA has continued to give referrals as referred to in paragraph "36" of the complaint.

75. With respect to the allegations contained in paragraph "37" of the complaint:

- a) Identify the other rehabilitation programs referred to therein.
- b) Set forth each and every way it will be alleged that said entities confederated and conspired together for the purpose of injuring the plaintiff's trade.

- c) Set forth the terms of any such agreement to conspire.
- d) Set forth the object of the conspiracy.
- e) Set forth and identify each and every act committed in furtherance of said conspiracy.
- f) Set forth each and every item of damage suffered by the plaintiff as a result of said conspiracy.
- g) Set forth each and every way it will be alleged that the plaintiff was prevented from marketing and advertising their services with AA.
- h) Set forth and identify any potential clients that were lost as a result of the activities of said entities.

76. Set forth the facts upon which plaintiff will rely for the allegations that defendant AA has threatened and intimidated potential clients, identifying the clients referred to and dates of said threats and intimidation.

77. Set forth and identify the false accusations that were published about the defendant.

78. Set forth and identify the client that was physically removed from the Haganan Guest House and identify who removed the client from the Haganan Guest House.

79. Set forth each and every way it will be alleged the defendant caused at least two high schools to abandon plans to do business with the Haganan Guest House and identify the high schools.

80. Set forth the facts upon which plaintiff will rely for the allegations that defendant AA promoted and encouraged their employees, agents and members to further the rumor that the plaintiff's business is a cult and is under investigation by the FBI.

81. Set forth each and every way it will be alleged that the defendant AA promoted and encouraged other rehabilitation groups to further the rumor that plaintiff's business is a cult and is under investigation by the FBI and identify the other rehabilitation groups referred to in paragraph "39" of the complaint.

82. With respect to the allegations contained in paragraph "40" of the complaint:

- a) Set forth and identify the terms and conditions of the agreement referred to.
- b) Set forth the date said agreement was entered into.
- c) Set forth and identify the other rehabilitation groups referred to in said paragraph.
- d) Set forth each and every way it will be alleged that the agreement was for the purposes of unlawfully interfering with the free exercise of plaintiff's activity in the marketing and sale of plaintiff's services.
- e) Set forth each and every it will be alleged that the agreement was for the purposes of interfering, restricting or preventing the plaintiff's free pursuit of its business.
- f) Set forth each and every way it will be alleged that the defendant allegedly violated the General Business Law Section 340.
- g) Set forth whether the plaintiff has been restricted or prevented from pursuing its business and if so, set forth each and every way it has been restricted or prevented from running his business.
- h) Set forth whether the plaintiff has been interfered with in running his business and if so, set forth the dates of same and who interfered with

same.

83. Set forth each and every way it will be alleged the plaintiff has ben cut off from advertising with AA.

84. Set forth each and every way it will be alleged that the plaintiff has been cut off from receiving referrals from AA.

85. Set forth each and every way it will be alleged that the plaintiff has been cut off from receiving referrals from other rehabilitation groups.

86. Set forth each and every way it will be alleged that the plaintiff has been cut off from advertising with other rehabilitation groups.

87. With respect to the allegations contained in paragraph "42" of the complaint:

- a) Set forth and identify the anti-competitive acts referred to in said paragraph.
- b) Set forth the number of clients it will be alleged plaintiff has lost.
- c) Set forth the number of clients it will be alleged plaintiff will continue to lose.
- d) Set forth the amount of profit and sources of income it will be alleged that plaintiff has lost.
- e) Set forth the amount of profit and sources of income it will be alleged that plaintiff will lose.

88. With respect to the allegations contained in paragraph "44" of the complaint:

- a) Set forth and identify the acts referred to.
- b) Set forth each and every way said acts were malicious, willful and unlawful and without just cause.

- c) Set forth the facts upon which plaintiff will rely for the allegations that said acts were committed by the defendant with the intent, purpose and objective of preventing the plaintiff from exercising its lawful trade or business.
- d) Set forth the facts upon which plaintiff will rely for the allegations that the acts of the defendant were for the purpose of unlawfully and improperly eliminating the competition of the plaintiff.

89. With respect to the allegations contained in paragraph "45" of the complaint:

- a) Set forth and identify the great loss and damage the plaintiff has suffered.
- b) Set forth each and every way it will be alleged that the plaintiff will be unlawfully restricted and prevented in and from the lawful exercise of his business.
- c) Set forth and identify the customers and patronage the plaintiff has lost.
- d) Set forth each and every way it will be alleged that the plaintiff has been deterred from continuing, increasing, and expanding its business.
- e) Identify any entities it was going to increase or expand its business with.

90. With respect to the allegations contained in paragraph "46" of the complaint:

- a) Set forth each and every way it will be alleged that AA used their market advantage to unlawfully dictate what the accepted procedures in the alcohol and drug rehabilitation groups would be.

91. With respect to the allegations contained in paragraph "48" of the complaint:

- a) Set forth and identify the anti-competitive and monopolistic acts referred to in.

- b) Set forth and identify the business and substantial profits that the plaintiff has been deprived of as a result of said anti-competitive and monopolistic acts.
- c) Set forth each and every way it will be alleged plaintiff has otherwise been damaged or injured in its integrity and reputation as a result of said anti-competitive and monopolistic acts.

DATED: June 24, 1997

Yours, etc.

ROCHE, CORRIGAN, McCOY & BUSH
Attorneys for Defendant
The Wilem Van Zandt Building
36 South Pearl Street
Albany, NY 12207
(518) 436-9370

TO: DeLorenzo, Gordon, Pasquariello,
Weiskopf & Harding, P.C.
Attorneys for Plaintiffs
201 Nott Terrace
Schenectady, NY 12307
(518) 374-8494

STATE OF NEW YORK, COUNTY OF ALBANY

SS.:

AFFIDAVIT OF SERVICES

PATRICIA E. MELAMED

, being duly sworn, depose and say: that I am over the age

of 18 years, not a party to this action, and reside at ALBANY, NY

. I served, on

June 25th 19 97, the within DEMAND FOR INTERROGATORIESCheck
Applicable
BoxService by
Mail

☒ by depositing a true and correct copy of the same enclosed in a post-paid wrapper in an Official Depository maintained and exclusively controlled by the U.S. Postal Service within New York State, directed to said person(s) at respective said address(es) mentioned below, that being the address(es) within the state designated for that purpose upon the last papers in this action or the place where the below then resided or kept offices according to the best information which can be conveniently obtained.

Personal Service
on Individual

☐ by delivering a true copy thereof personally to each person named below at the address indicated. I knew each person served to be the person mentioned and described in said papers as a party therein.

Service by
Electronic Means

☐ by transmitting the papers by electronic means to the telephone number listed below, which number was designated by the attorney for such purpose. I received a signal from the equipment of the attorney served indicating that the transmission was received. I also deposited a true copy of the papers, enclosed in a post-paid wrapper, in an official depository maintained and exclusively controlled by the U.S. Postal Service, addressed to the attorney at the address set forth after the name below.

Overnight Delivery
Service

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If more than one box
is checked, indicate
after names the type
of service used.

DeLorenzo, Gordon, Pasquariello,

Weiskopf & Harding, P.C.

201 Nott Terrace

Schenectady, NY 12307

Sworn to before me this 25th day of June 19 97

Notary Public Commissioner PETER J. CORRIGAN

Notary Public, State of New York

STATE OF NEW YORK, COUNTY OF ALBANY

No. 46133

Commission Expires 2/29/98

(PRINT NAME BELOW SIGNATURE)
PATRICIA E. MELAMED

VERIFICATION

, being duly sworn, depose and say that deponent is

in the within action; that deponent has

and knows the contents thereof; that

read the foregoing

the same is true to deponent's own knowledge, except as to the matters therein stated to be alleged on information and belief, and that as to those matters deponent believes it to be true.

the _____ of _____

the corporation

named in the within action; that deponent has read the foregoing

and knows the contents thereof; and that the same is true to deponent's own knowledge, except as to the matters therein stated to be alleged upon information and belief, and as to those matters deponent believes it to be true.

The grounds of deponent's belief as to all matters not stated upon deponent's knowledge are as follows:

Sworn to before me, this _____ day of _____ 19 _____

(PRINT NAME BELOW SIGNATURE)

Notary Public — Commissioner of Deeds

STATE OF NEW YORK, COUNTY OF

SS.:

ATTORNEY'S AFFIRMATION
or CERTIFICATION

The undersigned, an attorney admitted to practice in the courts of New York State,

Certification
By Attorney

☐ certifies that the within copy has been compared by the undersigned, with the original filed and found to be a true and complete copy thereof (pursuant to Sec. 2105 CPLR).

Attorney's
Affirmation

☐ shows deponent is the attorney of record, or of counsel with the attorney(s) of record for

in the within action; deponent has read the foregoing

and knows the contents thereof; the same is true to

deponent's own knowledge, except as to the matters therein stated to be alleged on information and belief, and that as to those matters deponent believes it to be true. This verification is made by deponent and not by

The grounds of deponent's belief as to all matters not stated upon deponent's knowledge are as follows:

The undersigned affirms that the foregoing statements are true, under the penalties of perjury.
Dated:

Response to the Defendant's **DEMAND FOR INTERROGATORIES:**

1. Prepared: Gerald J. Brown
DOB 4/11/42
SS# 051-34-7982
2. Date of Incorporation of Tri-Key Research Institute, Inc. is November 20, 1992. Name change amendment from Tri-Key Research Institute, Inc. to Baldwin Research Institute, Inc. effective November 10, 1994.
3. Date of Incorporation of The Hagaman Guest House of Montgomery County, Inc. is September 24, 1992.
4. In a newspaper article by **Mr. Christopher Ringwald** a Staff writer for the Times Union of Albany, New York wrote, "Some AA members in the Capital Region consider Hagaman divisive and cultlike." Mr. Ringwald is known to be a member of Alcoholics Anonymous.

In a newsletter article by **Mr. John Welch (could be Walsh)** in the September 1996 Issue of the H-M-B Newsletter he wrote: "In support of the 3 resolutions as submitted (8/13/96) by your delegate and because of only a part of the anti AA information as contained in 'The Old News' issue of June 1996, issue 96.07, your delegate does hereby request that the following groups/meetings (and any other meetings) should immediately be dropped from any and all local/district/area/GSO etc. group/meeting listings or schedules.

Sunday Hagaman Guest House (8:00PM) meeting--9 Church St. Hagaman N.Y.

Thursday 8:00PM-Frieden's United Church of Christ, Corner of Clinton & Franklin (across from City Hall) Schenectady N.Y.

Tuesday 8:00PM Our Lady of Grace Church, 73 Midline Road Route 146 A, Ballston Lake, N.Y.

Friday 8:00PM , State Street Presbyterian Church, Corner of State and Catherine, Schenectady N.Y.

Wednesday 8:00PM , Christ Episcopal Church, 970 State St. Schenectady NY

Saturday 8:30PM, Trinity Lutheran Church, 40 Guy Park Avenue, Amsterdam, NY."

In a newsletter article by **Mr. Dick Ferrari** in the October 1996 Issue of the H-M-B Newsletter he wrote: "The Old Fashioned groups (or meetings) originating with Gerald Brown, President of Baldwin Research Institute in Hagaman, NY was the focus of the discussion. As reported by DCMs who have visited these groups and who have read their newspaper, Old News, the Old Fashioned groups emphasized that they are not a part of Alcoholics Anonymous or 'modern AA' and did not subscribe to the traditions and concepts of AA, which they labeled as useless and used by self-serving nitwits. They are striving to become a nation-wide movement and have living quarters in Amsterdam, Schenectady and Plattsburgh. One DCM stated that they have been under investigation by the FBI for four years in the disappearance of children whose parents cannot locate them after going into the Hagaman House Program. FBI agents

have interviewed this DCM for possible information. The opinion was unanimous to vote to remove the old fashioned groups from the HMB Area Meeting Schedule and records at the upcoming October Assembly."

In a Webpage on the World Wide Web **Dr. Wayne van Saun**, a member of Alcoholics Anonymous, published: *[Headline.] "Old Fashioned AA at Hagaman, NY"* *[Body of text.]* All about the old-fashioned AA movement and their facility in Hagaman, NY. A bunch of good friends of mine are helping alcoholics and drug addicts of all ages at this house not far from me, variously described as a cult, a successful alternative to modern rehabilitation (The Baldwin Program), and only half-jokingly, an "Animal House" without the booze."

According to **Mr. Gerald Blair**, Lake Placid School District Superintendent, Mr. Phil Thayer, known to me as a member of Alcoholic Anonymous, reported to the Lake Placid School Board that The Hagaman Guest House was a cult.

According to **Mr. John Lansing** a Lake Placid businessman and **Mrs. Mickey Lansing**, Lake Placid High School Nurse, Mr. Phil Thayer said The Hagaman Guest House was a cult and no Lake Placid kids should be allowed to attend the program either as part of the Lake Placid Project or at Hagaman. Wanting to find out for themselves Mr. and Mrs. Lansing made a trip to the guest house in Hagaman, unannounced. They were graciously received by the staff, given a tour, and at the end of their visit commended the staff and some of the young Lake Placid adolescents that were going through the program at the guest house.

Mr. Doug Laverne of Saratoga County and a member of Alcoholics Anonymous contacted us to let us know there was going to be a vote in Saratoga County Alcoholics Anonymous to have Old Fashioned AA thrown out of Alcoholics Anonymous because The Hagaman Guest House and Old Fashioned AA is a cult, is under investigation by the FBI and is responsible for the disappearance of children.

Mr. Joseph Fuller of Schoharie County and a member of Alcoholics Anonymous contacted us to let us know there was going to be a vote in H-M-B Area of Alcoholics Anonymous to have Old Fashioned AA thrown out of Alcoholics Anonymous because The Hagaman Guest House and Old Fashioned AA is a cult.

Mr. Thomas Lansing (No relation to Mr. and Mrs. John Lansing.) of Saratoga County and a member of Alcoholics Anonymous reported on several occasions that he attended meetings where discussions were held alleging The Hagaman Guest House and Old Fashioned AA is a cult and responsible for the disappearance of children.

St. Peter's Addiction Recovery Center personnel and Alcoholics Anonymous members told **Mr. Dick Crowley**, then a patient at St. Peter's Addiction Recovery Center, that The Hagaman Guest House was a cult, that children had disappeared from The Hagaman Guest House and that The Hagaman Guest House was under investigation by the FBI. St. Peter's Addiction Recovery Center personnel

and Alcoholics Anonymous members recommended to Mr. Crowley and his family that Mr. Crowley not go through with his plan to go to The Haganan Guest House. It is believed that Mr. Crowley's counselor was a member of Alcoholics Anonymous or is affiliated with Alcoholics Anonymous.

Mr. T. Richard Adair a volunteer of The Haganan Guest House and a member of Alcoholics Anonymous was accused publicly of belonging to The Haganan Guest House cult and that he was responsible for the death of an adolescent staying at the guest house who had accompanied Mr. Adair to a Phish Concert in Plattsburgh.

While a patient of St. Mary's Hospital, St. Mary's Hospital personnel told **Dr. Lawrence Duda** that he should not return to The Haganan Guest House. They advised against Dr. Duda returning to the guest house because The Haganan Guest House was "not licensed." Many counselors at St. Mary's Hospital are members of Alcoholics Anonymous; in fact, Ms. Sherry Gillette, the Director of St. Mary's Hospital's drug and alcohol rehabilitation program is a well known member of Alcoholics Anonymous.

Sometime last year **Mr. Kevin Barratt** wrote to us requesting a subscription to The Old News. At that time he was an elected official of Alcoholics Anonymous, a District Committee Member ("DCM"). In his capacity as DCM he served on the Hudson-Mohawk-Berkshire Area Committee (HMB). Thus, he was an elected member of HMB at the time the defamation against us was taking place. In Mr. Barratt's e-mail communication to us he states the reason he wants to be removed from our mailing list is that "I am not interested in your way of recovery, or anything that is not 'official A.A.' (following the Twelve Traditions)" This would seem to be a red herring in that we had been publishing articles opposing the twelve traditions in copies of The Old News long before Mr. Barratt decided to subscribe. It is possible, although we don't know for sure, that Mr. Barratt is still an elected official of Alcoholics Anonymous. Based on his e-mail message, he most certainly is still a member of Alcoholics Anonymous. As a member of Alcoholics Anonymous, and most probably an elected official, he makes reference to "You, and your cult..." in his e-mail of 7 May 1997. Then he goes on to imply that people who come to us for help are in some sort of danger. He states: "I also pray for the newcomers, God help them."

Mark Scheeren encountered an old AA friend, Danielle, that had just moved back north from Georgia. She said that AA members in the State of Georgia told her that she had better be careful about Jerry Brown when she moved back to New York, because he started a group of AA meetings that were actually a cult, and that something bad was going on "up there."

Mr. Robert MacAlister, a well known real estate developer in Albany spoke with a friend of his who is a professor at Hudson Valley Community College. Mr. MacAlister's friend told him about young people disappearing after going to a place in Haganan for drug problems.

A statement was made by **Mr. Jose Alejandro**, in the presence of Ms. Barbara Mitchell on or about 11 August 1997 that The Hagaman Guest House is a "cult."

On 19 August 1997, A statement was made by **Johnny O.** in the presence of Ms. Danielle Bailey where Johnny O. stated that The Hagaman Guest House is a "cult."

We stipulate that there are many more occurrences that, at this time, we are unaware of, and there will be many more occurrences that have not yet occurred. Thus, we reserve the right to introduce each additional occurrence as we become aware of same or as each new occurrence of defamation by the defendant occurs.

5. Reported by:	Source of Defamatory Statements	To whom the defamatory Statements were made	Date
Mr. Gerald Blair	Mr. Phil Thayer, Member of Alcoholics Anonymous	Members of the Board of Education and the general public of Essex County.	January 1994
Mr. and Mrs. John Lansing	Mr. Phil Thayer, Member of Alcoholics Anonymous	Members of Alcoholics Anonymous and the general public of Essex County.	January 1994
Mr. Christopher Ringwald	Mr. Christopher Ringwald , Member of Alcoholics Anonymous	Circulation of the Albany Times Union.	August 4, 1996
Mr. John Welch (could be Walsh)	Mr. John Welch , Member of Alcoholics Anonymous	Members of Alcoholics Anonymous and potentially non-members throughout eastern New York State (east of Utica) and western Massachusetts.	September 1996
Mr. Dick Ferrari	Mr. Dick Ferrari , Member of Alcoholics Anonymous	Members of Alcoholics Anonymous and potentially non-members throughout eastern New York State (east of Utica) and western Massachusetts.	October 1996
Dr. Wayne van Saun	Dr. Wayne van Saun , Member of Alcoholics Anonymous	Everyone who visited Dr. van Saun's webpage during the time the "cult" comment was included on his webpage.	May 1997
Mr. Doug Lavergne	Mr. Tish Brownell, Member of Alcoholics Anonymous	Members of Alcoholics Anonymous and the general public of Saratoga County.	September 16, 1996
Mr. Joseph Fuller	Members of Alcoholics Anonymous	Members of Alcoholics Anonymous and the general public of Schoharie County.	August 1996

5. Reported by:	Source of Defamatory Statements	To whom the defamatory Statements were made	Date
Mr. Thomas Lansing	Members of Alcoholics Anonymous	Members of Alcoholics Anonymous and the general public of Schenectady and Montgomery Counties.	May 1996
Mr. Dick Crowley	Member of Alcoholics Anonymous and Staff members of St. Peter's Addiction Recovery Center	Members of Alcoholics Anonymous and the general public of Albany County and an unknown number of other professionals in the alcohol and drug rehabilitation industry.	November 21, 1996
Mr. T. Richard Adair	Member of Alcoholics Anonymous	Members of Alcoholics Anonymous and the general public of Saratoga County.	September 16, 1996
Dr. Lawrence Duda:	Staff members of St. Mary's Rehabilitation Program	Members of Alcoholics Anonymous and the general public of Montgomery County and an unknown number of other professionals in the alcohol and drug rehabilitation industry.	February 1996
Mr. Kevin Barratt	Mr. Kevin Barratt, Member of Alcoholics Anonymous	Members of Alcoholics Anonymous and the general public of Dutchess County.	May 7, 1997
Mr. Mark Scheeren	Danielle, Member of Alcoholics Anonymous	Members of Alcoholics Anonymous and the general public of the State of Georgia.	April 1997
Mr. Robert MacAlister	Professor at Hudson Valley Community College	The general public of Albany and Rensselaer Counties.	November 7, 1996
Ms. Barbara Mitchell	Mr. Jose Alejandro, Member of Alcoholics Anonymous	Members of Alcoholics Anonymous and the general public of Rensselaer County.	August 11, 1997
Ms. Danielle Bailey	Johnny O., Member of Alcoholics Anonymous	Members of Alcoholics Anonymous and the general public of Rensselaer County.	August 19, 1997

6. **Mr. Christopher Ringwald:** Mr. Ringwald statement "Some AA members in the Capital Region consider Hagaman [meaning "The Hagaman Guest House"] divisive and cultlike" confirms that among AA members the defamatory word "cult" and other words that carry negative connotations such as "divisive" are used when referring to The Hagaman Guest House. According to Mr. Ringwald's statement the source of these defamatory references is Alcoholics Anonymous. Mr. Ringwald, according to Mr. Rod O'Connor of Albany, is known to be a member of Alcoholics Anonymous.

Mr. John Welch (could be Walsh): John W. and Alcoholics Anonymous defamed Old Fashioned AA by sponsoring resolutions to eject Old Fashioned AA from Alcoholics Anonymous and by identifying each meeting by name, time and place, and by publishing John W.'s and Alcoholics Anonymous', resolutions and the names, times, and places of the meetings in a public forum, the H-M-B Newsletter. Further and at the time it was published, John W. and Alcoholics Anonymous knew that Old Fashioned AA was not a member of, affiliated with, or in any way associated with Alcoholics Anonymous. The H-M-B Area was sent a letter in August 1996 stating that Old Fashioned AA was not part of Alcoholics Anonymous. Old Fashioned AA also stated clearly and publicly in its newsletter, The Old News, Issue 96.07, that "It [meaning "Old Fashioned AA"] is in no way part of Alcoholics Anonymous or modern AA." As further evidence of John W.'s knowledge that Old Fashioned AA had already withdrawn from Alcoholics Anonymous, John W. writes: "Note; since this article [meaning The Old News, Issue 96.07, *There is a Requirement For Membership*] does state that the Old Fashioned Alcoholics Anonymous groups/meetings are not part of Alcoholics Anonymous, or modern AA, we should have no problem with dropping of said meetings from any and all AA listings and meeting schedules." Inasmuch as John W., an officer of Alcoholics Anonymous, knew that Old Fashioned AA had already withdrawn from Alcoholics Anonymous, it is clear that the only reason John W. and Alcoholics Anonymous sponsored resolutions to eject Old Fashioned AA from Alcoholics Anonymous would be to defame Old Fashioned AA.

Mr. Dick Ferrari: Mr. Ferrari, and other members at the meeting that voted unanimously to eject Old Fashioned AA from Alcoholics Anonymous defamed Old Fashioned AA, its members, Gerald Brown, Baldwin Research Institute, Inc., and The Hagaman Guest House, a Division of Baldwin Research Institute, Inc. by participating in a public forum within Alcoholics Anonymous where "*The Old Fashioned groups (or meetings) originating with Gerald Brown, President of Baldwin Research Institute in Hagaman, NY was the focus of the discussion.*" (October 1996 Issue of the H-M-B Newsletter) Further, that this meeting took place without Old Fashioned AA's, Gerald Brown's, Baldwin Research Institute, Inc.'s or The Hagaman Guest House's consent or prior knowledge of, and that Old Fashioned AA, Gerald Brown, Baldwin Research Institute, Inc. or The Hagaman Guest House were unable to defend themselves against the defamation since Old Fashioned AA, its members, Gerald Brown, Baldwin Research Institute, Inc., and The Hagaman Guest House were not notified to attend the meeting. And, that said meeting was held for the express purpose of defaming Old Fashioned AA, its members, Gerald Brown, Baldwin Research Institute, Inc., and The Hagaman Guest House in that, Old Fashioned AA, Baldwin Research Institute, Inc., and The Hagaman Guest House were not members of, affiliated with, or in any way associated with Alcoholics Anonymous. Moreover, Mr. Ferrari, every attendee of the aforementioned meeting and Alcoholics Anonymous knew at the time of the vote that Old Fashioned AA, Baldwin Research Institute, Inc., and The Hagaman Guest House were not members of, affiliated with, or in any way associated with Alcoholics Anonymous.

Further, Mr. Ferrari and Alcoholics Anonymous published an account of this meeting and the results of the vote to eject Old Fashioned AA from Alcoholics Anonymous. Mr. Ferrari and Alcoholics Anonymous reported that "They [meaning "Old Fashioned AA," "its members," "Gerald Brown," "Baldwin Research Institute, Inc.," and "The Hagaman Guest House"] are striving to become a nationwide movement and have living quarters in Amsterdam, Schenectady and Plattsburgh. This information is not true. We do not now have, nor have we ever had, plans for a nationwide movement. Nor are we, by definition, a "movement." We do not now have, nor have we ever had, living quarters in Schenectady or Plattsburgh. We do have offices in Schenectady County. Had Mr. Ferrari and Alcoholics Anonymous called, we would have advised them of the correct information.

Mr. Ferrari and Alcoholics Anonymous reported that "One DCM stated that they [meaning "Old Fashioned AA," "its members," "Gerald Brown," "Baldwin Research Institute, Inc.," and "The Hagaman Guest House"] have been under investigation by the FBI for four years in the disappearance of children whose parents cannot locate them after going into the Hagaman House Program." To the best of our knowledge there is not now, nor has there ever been an FBI investigation of Old Fashioned AA, its members, Gerald Brown, Baldwin Research Institute, Inc., or The Hagaman Guest House. No child, no adult, no one has ever disappeared while in the care of The Hagaman Guest House. Being under "an investigation" by any government agency is devastating to a business or individual.

Even more destructive is the report that Old Fashioned AA, its members, Gerald Brown, Baldwin Research Institute, Inc., and The Hagaman Guest House are in some way involved with or responsible for the disappearance of children. Since the article I have been forced to resign my responsibility at The Hagaman Guest House and by the first of the year I must give up my position as President of Baldwin Research Institute, Inc. As another example, Jude Thaddeus Academy Project, a drug and alcohol free high school, had to be abandoned for fear of bringing more attention to these devastating and untrue defamatory reports by Mr. Ferrari and Alcoholics Anonymous.

Mr. Ferrari and Alcoholics Anonymous reported that: "FBI agents have interviewed this DCM [meaning "the DCM that reported the FBI investigation"] for possible information." This statement was reported as a fact, that is with no qualification as to its source or accuracy. Mr. Ferrari and Alcoholics Anonymous are jointly and individually responsible for the accuracy of this statement. The statement is untrue and Mr. Ferrari and Alcoholics Anonymous made the statement specifically to defame Old Fashioned AA, its members, Gerald Brown, Baldwin Research Institute, Inc., and The Hagaman Guest House.

Dr. Wayne van Saun: Dr. van Saun is a member of Alcoholics Anonymous. In May of 1997 he included on his Internet webpage his description of Old Fashioned AA, The Hagaman Guest House, and the Baldwin Program. He wrote: "...variously described as a cult...and only half-jokingly, an 'Animal House' without

booze." After visiting his webpage Mr. Mark Scheeren, Director of The Haganan Guest House wrote to Dr. van Saun via e-mail:

Wayne,

Thanks for the publishing "stuff". I did use it to get the Old News, etc. on the net. Thank you! I also looked at your web site---pretty informative, but I must say that I would rather not have the idea that we are a cult (or described as one) perpetuated. Whether we are described as one does not make it true, and comments like that on the net can hurt us a great deal. I realize that this is your web page and that you are allowed to say anything that you want. I would ask that if you feel it necessary to say that we are described as a cult please take the link to our site off your page. Rumors such as these can only hurt alcoholics who may have come here had it not been for "contempt prior to investigation" by the hurtful people who started those rumors. Thank you.

Mark

That very same day Dr. van Saun responded with this e-mailed:

Mark -

You are right - it is not fair to call your group a cult - at least online - I do not want to hinder any alcoholics from trying your program....I'll change it first chance I get

Wayne

The following day, May 25, 1997, Dr. Lawrence Duda wrote to Dr. van Saun about Dr. van Saun's description of Old Fashioned AA, The Haganan Guest House and the Baldwin Program as presented on Dr. van Saun's webpage. Dr. Duda wrote:

... I get a message that my good friend said I was in a cult. No way!!!!

Dr. van Saun again responded the same day, May 25, 1997, to Dr. Duda's e-mail regarding Dr. van Saun's web page. In Dr. van Saun's e-mail to Dr. Duda he explains:

no way, buddy...

No, it is not fair that I described your group as a cult, but others have done so as well.... "modern" AA members that are good friends...I did change my web site to leave out the cult crack but have thought long and hard about Haganan and I do feel your exclusivity and shunning of what you call modern AAs is a bit much...

Clearly and by Dr. van Saun's own admission, information with respect to The Haganan Guest and Old Fashioned AA being a cult emanated from "AA members that are good friends," that is members of Alcoholics Anonymous. Even though Dr. van Saun responded to my letter addressing this problem stating "I will even recommend it [meaning Old Fashioned AA and The Haganan Guest House] as a treatment for my teen addicts," the likelihood of Dr. van Saun making referrals to The Haganan Guest House is thought to be low. Consider that as of this date 16 October 1997, nearly five months after Dr. van Saun said he would make referrals, he has not made a single referral to The Haganan Guest House.

Mr. Gerald Blair: Mr. Blair met with Ms. Adrienne Ratigan and me to explain that Mr. Phil Thayer spoke out at a Lake Placid School Board meeting and said that The Hagaman Guest House was a "cult." As a direct result of that meeting Lake Placid High School withdrew from The Lake Placid Project. The Lake Placid High School Principal was directed not to allow us in the school to work with students and in August 1994 Old Fashioned AA's Lake Placid Meeting was discontinued because of lack of attendance. The lack of attendance was a direct result of Mr. Phil Thayer's efforts according to other Lake Placid AA members' statements.

Mr. and Mrs. John Lansing: Although Mr. and Mrs. John Lansing had given The Hagaman Guest House financial support in the past and even though they took the time to visit The Hagaman Guest House to see for themselves that The Hagaman Guest House is not a "cult," they discontinued financial support after the rumors of The Hagaman Guest House being a cult.

Mr. Doug Lavergne: Mr. Lavergne was attending an AA meeting in Saratoga County where the AA members discussed Jerry Brown being a cult leader of The Hagaman Guest House and the need to have the Old Fashioned Group removed from Alcoholics Anonymous.

About 10:30, 17 September 1996, I received a call from Doug Lavergne. Through a mutual friend Mr. Lavergne had learned about our efforts to stop Alcoholics Anonymous' defaming of The Hagaman Guest House, Old Fashioned Alcoholics Anonymous, and me.

Mr. Lavergne says he was at a Monday Night Malta Meeting of Alcoholics Anonymous on September 16, 1996 which is held weekly in a church located on Dunning Road in the Town of Malta.

According to Mr. Lavergne there was a business meeting called to order separately from the regular weekly meeting and attended by approximately 10 members of Alcoholics Anonymous, among them were Messrs. Doug Lavergne, Henry Young, Joseph Spears and Tish Brownell. Mr. Brownell, at that time, held the title of District Committee Member (hereinafter "DCM") of District 5 of the Hudson Mohawk Berkshire Area of Alcoholics Anonymous. As DCM, Mr. Brownell was the highest ranking officer in District 5 and represents his constituency at the Hudson Mohawk Berkshire Area of Alcoholics Anonymous.

According to Mr. Lavergne the Monday Night Malta Meeting of Alcoholics Anonymous' September 16th business meeting was held for the purpose of dealing with the problem of too many members of Alcoholics Anonymous coming to the Monday Night Malta Meeting of Alcoholics Anonymous and discussing topics that sounded similar to information presented at The Hagaman Guest House, Old Fashioned Alcoholics Anonymous and by Jerry Brown.

Further and according to Mr. Lavergne, Mr. Tish Brownell presented the following information that:

(1) There has been a six year long investigation of The Hagaman Guest House and Jerry Brown by the FBI.

(2) He, personally, [meaning "Mr. Brownell"] has been working with the FBI in connection with the FBI's investigation of The Hagaman Guest House and Jerry Brown.

(3) There is a list of missing children who were last seen in the presence of Jerry Brown and/or at The Hagaman Guest House, and further alleges that this list is part of the FBI investigation.

(4) And, recently, Mr. Rick Adair, a member of The Hagaman Guest House, took a youngster to a Phish Concert in Plattsburgh, NY, where under the care of or by the hand of The Hagaman Guest House personnel the child was killed. (Mr. Adair worked at The Hagaman Guest House during 1995 as a volunteer and occasionally attends the Monday Night Malta Meeting of Alcoholics Anonymous. He was in attendance the night of September 16th, but before the business meeting was held Mr. Adair was ejected from the regular Alcoholics Anonymous Meeting by Mr. Brownell and others.)

Mr. Joseph Fuller: Mr. Fuller was attending an AA meeting in Schoharie County where the AA members discussed Jerry Brown being a cult leader of The Hagaman Guest House and the need to have the Old Fashioned Group removed from Alcoholics Anonymous.

Mr. Thomas Lansing: Mr. Lansing was attending an AA meeting in Schenectady County where the AA members discussed Jerry Brown being a cult leader of The Hagaman Guest House and the need to have the Old Fashioned Group removed from Alcoholics Anonymous.

St. Peter's Addiction Recovery Center personnel and Alcoholics Anonymous members: At the request of a friend of Mr. Dick Crowley a couple of Old Fashioned AA members, Mr. Charles Weatherwax and Mr. James Oppy, visited Mr. Crowley who at the time was going through St. Peter's Addiction Recovery Center detoxification program. During the visit Mr. Crowley said he had an interest in coming to the program at The Hagaman Guest House. A few days later Mr. Weatherwax, again went to visit Mr. Crowley at St. Peter's, but Mr. Crowley had all ready been discharged.

Several days went by during which time Mr. Crowley relapsed. Mr. Crowley called Mr. Weatherwax on Thursday, November 21, 1996 and told Mr. Weatherwax that he [Mr. Crowley] wanted to come to the guest house. Mr. Weatherwax and another member of Old Fashioned AA met with Mr. Crowley, and in conversation Mr. Crowley asked how many children were at the guest house and about the FBI investigation. Mr. Weatherwax explained that there were four teenagers at the house and that there was no FBI investigation. Mr. Crowley then came to the house at about 3:30PM on Thursday.

Shortly after Mr. Crowley's arrival we began receiving telephone calls from Mr. Crowley's estranged wife. Her telephone conversations were panicky and angry. At the very least her conversation was bizarre and each time she called, she demanded that we let her husband leave. Each time we told her that Mr. Crowley could leave anytime he wanted to but only at his request. We further explained that we would take him back home or any place else he may want to go in the Capital District.

At about 9:30PM Mr. Crowley's estranged wife, his daughter, and two unidentified men came to the guest house for Mr. Crowley. Mr. Weatherwax provided Mr. Crowley and his visitors a private room in which they could talk. After about one half hour they emerged and announced that Mr. Crowley would be leaving with them. They all left the guest house at about 10:00PM. Just before departing and without his visitors hearing, Mr. Crowley indicated to Mr. Weatherwax that he would be back.

It was suspected that the two individuals who accompanied Mr. Crowley's estranged wife and daughter were from Alcoholics Anonymous in Albany which later proved to be true. One of the two unknown men turned out to be Mr. Crowley's sponsor in Alcoholics Anonymous. Because their conversation at the guest house was private, we do not know the content of the conversation. But, based on Mr. Crowley's earlier questions about teenagers and FBI investigations, it seems certain that some of these items were discussed to convince Mr. Crowley to leave.

According to Mr. Crowley, he and his family were advised of the "disappearance of children at the guest house" and the "FBI investigation" by a St. Peter's Addiction Recovery Center counselor. It is believed that Mr. Crowley's counselor is a member of Alcoholics Anonymous or is in some way affiliated with Alcoholics Anonymous. The identity of the counselor that advised Mr. Crowley about the FBI investigation, the disappearance of children at the guest house, and to not go to the guest house must be a matter of record at St. Peter's Addiction Recovery Center.

Mr. T. Richard Adair: Mr. Adair was attending an AA meeting in Saratoga County where the AA members discussed Jerry Brown being a cult leader of The Hagaman Guest House and the need to have the Old Fashioned Group removed from Alcoholics Anonymous. At this meeting the attendees also knew that Mr. Adair had been a volunteer at The Hagaman Guest House and accused him of killing a teenager who was staying at The Hagaman Guest House. According to Mr. Adair's accusers he lured this teenager away from the guest house to attend a Phish Concert in Plattsburgh, New York where he was responsible for the teenager's death.

Dr. Lawrence Duda: While staying at The Hagaman Guest House Dr. Duda began exhibiting symptoms of severe gout exacerbated by detoxification. He was admitted to St. Mary's Hospital. [The Hagaman Guest House refers individuals suffering from detoxification symptoms to St. Mary's Hospital because it is the closest facility offering detoxification services.] As was the case with all the other guests we referred to St. Mary's Detoxification Program, counselors at St. Mary's tried to convince

Dr. Duda that he should not return to The Haganan Guest House Program. They told him that The Haganan Guest House was "not a licensed facility."

In and of itself, the statement "not a licensed facility" is not defaming. It becomes defaming in the presence of two conditions: guest houses are not required to be licensed and the staff of St. Mary's Rehabilitation and Treatment Program has known for years that The Haganan Guest House Program is not required to have a license. Thus, to say that "The Haganan Guest House is not a licensed facility" is to imply that The Haganan Guest House is required to have a license. By St. Mary's Rehabilitation and Treatment Program telling its patients that The Haganan Guest House is not a licensed facility, St. Mary's Rehabilitation and Treatment Program is implying that the guest house is operating illegally or dishonestly or is not of the quality to be able to obtain a license; none of which is true. Furthermore, the fact that St. Mary's Rehabilitation and Treatment Program knows that The Haganan Guest House does not need a license is a conscious effort on St. Mary's Rehabilitation and Treatment Program to discredit and defame The Haganan Guest House.

Mr. Kevin Barratt: In May 1995 Mr. Barratt, of Poughkeepsie, New York, wrote to us about The Old News and was added to our mailing list. At that time he was an elected official of Alcoholics Anonymous, a District Committee Member ("DCM") and told us that he and his AA Group agreed with much of what was carried in The Old News. In his capacity as DCM he served on the Hudson-Mohawk-Berkshire Area Committee (HMB). Thus, he was an elected member of HMB at the time the defamation against us was taking place.

In Mr. Barratt's e-mail communication 7 May 1997 to us he states the reason he wants to be removed from our mailing list is that "I am not interested in your way of recovery, or anything that is not 'official A.A.' (following the Twelve Traditions)" This would seem to be a red herring in that we had been publishing articles opposing the twelve traditions even at the time Mr. Barratt requested to receive The Old News.

It is possible, although we don't know for sure, that Mr. Barratt is still an elected official of Alcoholics Anonymous. Based on his e-mail message, he most certainly is still a member of Alcoholics Anonymous. As a member of Alcoholics Anonymous, and most probably an elected official, he makes reference to "You, and your cult..." [meaning "The Old News," "Old Fashioned AA," "Jerry Brown," "Baldwin Research Institute, Inc.," and "The Haganan Guest House"] in his e-mail of 7 May 1997. Then he goes on to imply that people who come to us for help are in some sort of danger. He states: "I also pray for the newcomers, God help them."

Mr. Mark Scheeren: He relates the following discussion: " At the beginning of April 1997 a girl by the name of Danielle was at the Tuesday Night Old Fashioned Alcoholics Anonymous Meeting. I have known Danielle for seven years although I had not heard from her in the last five years. Danielle told me that she had been living in Georgia for the past five years and has been sober for the entire seven years. She had just moved back to Clifton Park, NY a month before. After small talk

about families and friends in AA she asked how Jerry Brown was. I told her he was doing well. She then told me that when she told the Georgia AA members that she was originally from upstate New York AA, they started asking about Jerry Brown. Danielle was surprised at this since she did actually know Jerry quite well. The same AA members then told Danielle that she had better be careful about Jerry Brown when she moved back to New York, because he started a group of AA meetings that were actually a cult, and that something bad was going on 'up there'."

Ms. Barbara Mitchell: Ms. Barbara Mitchell related to Ms. Danielle Bailey that Mr. Alejandro, a representative of Honor Court which is believed to be an organization of Peter Young Housing Industry and Treatment, Inc., said that he knew of "that group" [meaning The Haganan Guest House] and that that group gave a two week course and was a cult--that it was a terrible place. It is further believed that Mr. Jose Alejandro is a member of Alcoholics Anonymous or has some affiliation with Alcoholics Anonymous and/or its members.

We reserve the right to supplement the foregoing as the information becomes available.

7. **General Damage Statement:** Ever since the founding of Baldwin Research Institute, Inc., The Haganan Guest House and Old Fashioned AA, Alcoholics Anonymous through its members and officers have conspired against Gerald Brown, Baldwin Research Institute, Inc., The Haganan Guest House and Old Fashioned AA, culminating in the recent defamatory remarks. Thus, to speculate there are quantifiable damages and financial losses would be to ignore the damages and financial losses that cannot be quantified at any point in time. Therefore, the following is not presented as a complete list of damages and financial losses, but rather a representative sample of the damage and financial losses sustained by Gerald Brown, Baldwin Research Institute, Inc., The Haganan Guest House and Old Fashioned AA as a direct result of Alcoholics Anonymous's defamatory statements.

Mr. Christopher Ringwald: The extent of the damage caused by the Times Union article is indeterminable at this time as we do not know the circulation of the Times Union.

Mr. John Welch (could be Walsh): The extent of the damage is indeterminable at this time as we do not know who attended the meeting and what impact such a discussion would have one, two or three people removed from the meeting attendees, and we do not know how far reaching the H-M-B Newsletter might be. For example, it is likely passed on to members outside the H-M-B Area.

Mr. Dick Ferrari: The extent of the damage is indeterminable at this time as we do not know who attended the meeting and what impact such a discussion would have one, two or three people removed from the meeting attendees, and we do not know how far reaching the H-M-B Newsletter might be. For example, it is likely passed on to members outside the H-M-B Area.

Dr. Wayne van Saun: The extent of the damage is indeterminable at this time as we do not know who or how many individuals visited the website during the time that the website described The Hagaman Guest House and the Baldwin Program as a cult.

Mr. Gerald Blair: The full extent of the damage is indeterminable at this time as we do not know who attended the meeting and what impact such a discussion would have one, two or three people removed from the meeting attendees.

Mr. and Mrs. John Lansing: They stopped financial support after the rumors of The Hagaman Guest House being a cult.

Mr. Doug Lavergne: The extent of the damage is indeterminable at this time as we do not know who attended the meeting and what impact such a discussion would have one, two or three people removed from the meeting attendees.

Mr. Joseph Fuller: The extent of the damage is indeterminable at this time as we do not know who attended the meeting and what impact such a discussion would have one, two or three people removed from the meeting attendees.

Mr. Thomas Lansing: The extent of the damage is indeterminable at this time as we do not know who attended the meeting and what impact such a discussion would have one, two or three people removed from the meeting attendees.

St. Peter's Addiction Recovery Center personnel and Alcoholics

Anonymous members: Based on this one incident we canceled our marketing program to do image building and get referrals from 50 rehabilitation facilities. One of the targeted facilities was St. Peter's Addiction Recovery Center. However, the full extent of the damage is indeterminable at this time as we do not know who else St. Peter's Addiction Recovery Center may have given this defaming information to.

Mr. T. Richard Adair: The extent of the damage is indeterminable at this time as we do not know who attended the meeting and what impact such a discussion would have one, two or three people removed from the meeting attendees.

Dr. Lawrence Duda: The full extent of the damage is indeterminable at this time as we do not know who else St. Mary's Rehabilitation and Treatment Program may have given this defaming information to.

Mr. Kevin Barratt: This e-mail presents definitive evidence that the defamation, the smear campaign, was still going on by members and officers of Alcoholics Anonymous even after our seeking relief from the court. The extent of the damage is indeterminable at this time. It is, however, clear that the damage extends well beyond the Capital Region, throughout H-M-B Area which includes some portion of the State of Massachusetts.

Mr. Mark Scheeren: This report presents definitive evidence that the defamation, the smear campaign, was still going on by members and officers of Alcoholics Anonymous even after our seeking relief from the court. The extent of the

damage is indeterminable at this time. It is, however, clear that the damage extends well beyond the Capital Region, throughout Alcoholics Anonymous which includes every State.

Mr. Robert MacAlister: Hudson Valley Community College was one of the area schools that we targeted for marketing in 1997. Area school marketing plans had to be abandoned. The extent of the damage is indeterminable at this time as we do not know how many people in the area schools and people outside of Alcoholics Anonymous know about the defamatory "disappearing children story." It is, however, clear that the damage by Alcoholics Anonymous extends well beyond Alcoholics Anonymous.

Ms. Barbara Mitchell: The extent of the damage is indeterminable at this time as we do not know how many people Peter Young Housing Industry and Treatment, Inc. and Mr. Jose Alejandro have told that The Haganan Guest House is a cult.

Lake Placid Project: The loss of the Lake Placid Project cannot be measured by the \$15,000 proposed cost of the project. Had we completed that project, at that time, which we were prepared to do, it would have served as the model to go into hundreds of school districts with the same program. Revenues by this time could easily have exceeded one million dollars a year because there is strong evidence that the program would have been well received in the high school market.

In 1994, after Lake Placid High School withdrew from the Lake Placid Project, Baldwin Research Institute, Inc. conducted a pilot program to test out its theory with respect to the effects of a high school sub-culture consisting of students who had recovered from drug and alcohol problems. At the end of the first year, 4 out of the 5 students were still sober and drug free. Today, three years later, 3 out of the 5 have remained sober and drug free. In contrast to the 60% success rate, after three years, experienced by the students at The Haganan Guest House, Lake Placid High School had 12 students attend conventional treatment and Alcoholics Anonymous during the 1991-1992 and 1992-1993 school years, of which none stayed sober or drug free. By the end of the first year all had relapsed. It is reasonable, then that without the defamation and with the success rate that would have been achieved with the Lake Placid Project, many more schools would have signed up for the Baldwin Program. Although the loss of revenue and the loss of follow-on revenue early in our start-up phase was devastating, the real tragedy is there are statistically 9 Lake Placid students that would have been free of drugs and alcohol who were never given the chance because of the defamatory statements of member(s) of Alcoholics Anonymous.

As the very same defamation and tactics began to surface in Essex County that had been so effective in destroying our business in Montgomery County [discussed later in this document.], we fought hard not to relinquish the Essex County market. We aggressively pursued Moses Ludington Substance Abuse Services objections to our programs and the associated defamatory statements. In December 1993 I wrote to Ms.

Zoe Zingle, Moses Ludington Substance Abuse Services' counselor for Lake Placid High School (See Answer to Demand for Documents Folder #6).

We did not get a response from Ms. Zingle, but we did receive a response from the Douglas G. Terbeek, Executive Director, Substance Abuse Prevention of Essex County on January 10, 1994(See Answer to Demand for Documents Folder #6).

This letter gave us more information as to what was actually taking place in the Lake Placid community regarding our efforts there. In our meeting of October 22, 1993 Doug Terbeek told the Principal of Lake Placid High School, Mr. Robert Schiller, that The Haganan Guest House was under an investigation by OASAS and that our operation was not within the existing network of licensed alcohol and substance abuse care providers in New York State. He also said he was there representing OASAS. In his letter of 26 October 1993 to Bob Schiller he does not put in writing the allegation of being "under investigation" by OASAS. And, after our letter to Zoe Zingle that threatened legal action against Terbeek and Zingle, personally, a copy of which went to Attorney Richard Galeota who was consulting with us on these matters at the time, Terbeek tones down his allegations about OASAS even more. In his letter of 10 January 1994 he simply says: "...given that OASAS has only determined that they have no jurisdiction, ..."

OASAS has asserted in all of their letters concerning the Lake Placid Project that Mr. Terbeek was not representing OASAS and therefore Mr. Terbeek was acting on his own. However, Mr. Terbeek's letters indicate that he was representing OASAS. In his letter to to Bob Schiller of 26 October 1993 he writes:

"As determined by state OASAS (Office of Alcoholism and Substance Abuse Services) review...the Haganan House and the Tri-Key Experience operates outside the purview, and hence the regulatory control of the existing network of licensed alcohol and substance abuse providers in the state."

"To clarify our position, neither we nor the state OASAS are familiar with the teaching staff, materials or methodology used in the two week course."

In his second statement there is no doubt that he is speaking on behalf of OASAS. Moreover, OASAS knew that Mr. Terbeek was at least speaking for them ("representing OASAS"), in that Mr. John Ernst of OASAS received a copy of the aforementioned letter. Hence any denial by OASAS with respect to whether or not Mr. Terbeek was their representative to the Lake Placid Project in Essex County is untrue based on Terbeek's letter and Mr. Ernst's lack of objection to Terbeek speaking for OASAS.

Mr. Terbeek chose to ignore our response to his stated concerns about female staffing, bathrooms and shower facilities, and co-ed facilities. In our 1993 December 27th letter to Zingle, we presented no less than five women that were actively involved

to help female guests. We were not asked at the time if there was a female volunteer on-site 24 hours a day. Had we been asked, the answer was, and is, "yes;" since 1992 there has always been a female staff volunteer on-site whenever there is a female guest staying at the house. Certainly in Terbeek's letter of 10 January 1994, a copy of which was sent to Bob Schiller (our potential customer), Mr. Terbeek was insinuating that we were not adequately staffed saying "Our concerns about lack of around the clock, on-site female staff."

Furthermore, in our 1993 December 27th letter to Zingle, we described in great detail the bathroom and shower facilities. We clearly demonstrate that our facility had more bathrooms than was required by the New York State Department of Health. Yet, in Terbeek's letter of 10 January 1994, he again raises concerns in the mind of our customer by stating, "inadequate bathroom/shower facilities were just that...concerns which we, from our experience and training, believed we needed to communicate to Bob Schiller as information which he needed to be aware." Obviously Terbeek despite the facts is still attempting to persuade Bob Schiller, our customer, that a serious problems exist with our bathroom facilities.

But the most devastating defamatory statement of Terbeek's 10 January 1994 letter was : "With the possibility of other young people coming to Haganan in the future, we believe that addressing these concerns could only enhance the overall quality of the program by helping **to ensure the physical and emotional safety of all who might come to Haganan House. This is our professional opinion, based on our experience and training.**" This clearly was said to suggest that the physical and emotional safety of those coming to our facility was in question. And to give the question credibility, Mr. Terbeek sets himself and his organization up as experts on the subject.

Mr. Terbeek used his visit to The Haganan Guest House and his position in the community to discredit our program knowing full well that the two week program was not even going to be held at The Haganan Guest House. We proposed doing the two week course at the White Sled Motel located just a few miles south of Lake Placid on Route 73. Thus, his defamatory comments about The Haganan Guest House were designed only to obstruct The Lake Placid Project.

Moreover, at the time we received Terbeek's 10 January 1994 letter, we missed its foreshadowing of things to come. In this letter he makes this reference: "young people in Lake Placid/Saranac Lake." This is a strange reference, indeed, considering Saranac Lake is not in Essex County, and Mr. Terbeek has no responsibility outside Essex County. It is also strange, in that up to this point we had purposely not publicized our activities in Saranac Lake. Also, at this time we had only a brief, preliminary meeting with Gerald Goldman the High School Principal in Saranac Lake which few if any outside the meeting really knew about. But based on Terbeek's 10 January 1994 letter it is clear that he had some information about our activities in Saranac Lake. In retrospect Mr. Terbeek's information about our efforts in Saranac Lake most probably came by way of Ms. Margaret Savage of St. Joseph's Outpatient

Rehabilitation Program and Alcoholics Anonymous. Ms. Margaret Savage of St. Joseph's Outpatient Rehabilitation Program are located in Saranac Lake.

In any case, we did not simply yield to the defamation in Essex County; on 30 January 1994 we sent a letter to Mr. Robert Schiller, Principal of Lake Placid High School (See Folder #6 in Demand for Documents).

We did continue to work in the Lake Placid community. We conducted meetings in Lake Placid every Monday night for the Lake Placid young people who had come through the program. The meeting was held at a prominent location in the village at St. Agnus School, a Roman Catholic School located just off the business section in the center of the village. Every Monday night for eight months we drove two and a half hours to Lake Placid; held the meeting; went to Burger King after the meeting with the young people and drove two and a half hours home. Finally, based on the continuing defamation from local AA and the attendant lack of growth, the economics of this sojourn became too burdensome to continue, the meeting was discontinued. Alcoholics Anonymous and its local leader Phil Thayer had won - the kids had lost. Shortly thereafter I received the following letter from a dedicated 15 year old girl; I believe it needs no explanation.

Dear Jerry,

I feel excluded from modern AA groups in Lake Placid. I don't feel comfortable going to these meeting because I grew up around some of the key figures in these meetings. Phil Thayer is one of those figures. I've known Mr. Thayer since I was about 4 years old. His family and my family used to be friends. We all used to go to his church. When we stopped going his wife (the Sunday school teacher) told one of my friends that I was a bad influence on her and for her to be careful not to let me lead her astray. Needless to say that made me feel uncomfortable. I'm afraid that if I were to go to a Lake Placid AA meeting I would be discriminated against for my belief in recovery. I guess Mr. Thayer doesn't have an understanding of the meaning of recovery.

My personal opinion is that he started trouble for the Old Fashioned group meeting up there. [bracketed not part of the letter - the "Old Fashioned group meeting" was the name of our Monday Night meeting in Lake Placid.] I feel that he doesn't have any right to do this because the group has only helped me to come to a belief in a higher power which has restored me to sanity and also a better way of life. We've never started any problems for their meetings so I wish the discrimination would end. Obviously somethings wrong here because everyone should feel comfortable about an AA meeting yet I don't and I've always felt fine at every other meeting. So why can't I feel comfortable at this one? [bracketed not part of the letter - "this one" refers to Phil Thayer's modern AA meeting in Lake Placid.]

A.M.

(Note: This 15 year old girl did try to go to modern AA meetings in the Lake Placid area only to be chastised for her belief that she could recover. A few months later desperate and lonely she rejoined her drinking and drugging friends. She has been using ever since.)

Mr. Thayer and Alcoholics Anonymous's defamation was too great to overcome, and we never heard from Lake Placid School District again. Another member of Alcoholics Anonymous, Ms. Margaret Savage, Director of St. Joseph's Outpatient Rehabilitation Program located in Saranac Lake, New York was also a party to the defamatory stories that The Hagaman Guest House was a cult and that we promoted the concept that alcoholics can continue to drink and drug.

Saranac Lake Project: We had also started promoting the Saranac Lake Project which had been patterned after the Lake Placid Project. By April 1994 this program had been damaged beyond repair by Ms. Margaret Savage of St. Joseph's Outpatient Rehabilitation Program and Alcoholics Anonymous, and by Mr. Orman "Chip" Bomyea, Director of North Star Substance Abuse Services, and who is believed to be either a member of Alcoholics Anonymous or affiliated with Alcoholics Anonymous.

In a conversation with Mr. Bomyea following our presentation of The Saranac Lake Project to Saranac Lake High School's "mini-staff," Mr. Bomyea informed me that he was sent to our meeting by New York State's Office of Alcoholism and Substance Abuse Services to inform Saranac Lake High School that The Hagaman Guest House and Jerry Brown were under investigation by OASAS. We told Mr. Bomyea that we had recently spoken with officials at OASAS and were certain that there was no investigation. Our not knowing about the investigation, according to Mr. Bomyea, was because OASAS was not required to tell organizations that they are being investigated.

Additionally, at about this time, I had a meeting with Ms. Savage. She told me in the meeting that she considered The Hagaman Guest House a cult and she disagreed with our advocating that it is all right for alcoholic teenagers to drink and that she knew that The Hagaman Guest House was under an investigation by OASAS. Although I explained to Ms. Savage that we were not a cult and that we did not advocate drinking alcohol for anyone at any age, she asserted that she was right and the allegations were true. In that the meeting was to discuss The Lake Placid Project and the Saranac Lake Project, and inasmuch as Ms. Savage and Mr. Thayer were (are) both members of Alcoholics Anonymous, and considering Ms. Savage was promoting the same defamatory information as Mr. Thayer, and considering that Ms. Savage knew Mr. Jerry Goldman, Principal of Saranac Lake High School, it is believed that Ms. Savage conveyed her defamatory beliefs about The Hagaman Guest House to Mr. Goldman as her Alcoholics Anonymous counterpart had done in Lake Placid.

Because of Ms. Savage's defamatory allegations, I authored a letter to her boss, Reverend Art Johnson, Director of St. Joseph's Rehabilitation Program located in Saranac Lake, New York. According to Ms. Adrienne Ratigan, an employee of St. Joseph's Rehabilitation Program, at the time, Ms. Savage was discharged from her position of Director of the St. Joseph's Rehabilitation Outpatient Program shortly after Art Johnson received my letter. It is reasonable to speculate my letter played at least some role in Ms. Savage's dismissal and that her dismissal may be further evidence that our claims of defamation were correct.

Nevertheless and as we did in Lake Placid, I authored one final letter in hopes of saving the project. Although we knew that Mr. Goldman's reasons for dropping the project were red herrings, on April 28, 1994(SEE FOLDER # 6 in the Plaintiff's response to defendant's Demand for Documents) we answered all of his stated concerns. Although we believed that we addressed all of Saranac Lake High School's concerns, we never heard from them again and were unable to schedule another meeting with Mr. Goldman. The loss of both The Lake Placid Project and The Saranac Lake Project was a terrible financial blow.

We continued to try to maintain a presence in the Lake Placid and Saranac Lake market. Our efforts were futile. Alcoholics Anonymous's influence and defamation of our companies were so pervasive, we were unable to even hold on to the market share we already had. Prior to the defamation and without the Lake Placid Project or the Saranac Lake Project, we had been highly successful in this market. We entered the Lake Placid and Saranac Lake market in 1992 and experienced a 700% growth in the first year. While we did not expect that that growth rate could be maintained, out of the nearly 400 students with drug and alcohol problems in that market, we forecasted that we could win and hold 7.5 % of the total market. This estimate can be substantiated by the response we received from the students of Lake Placid High School following our presentation at a student assembly program. Following the student assembly program thirty students visited our private room during the course of that day asking for help with their drug and alcohol problems. It is probable that we would have received the same response had we been allowed to conduct the same student assembly program at Saranac Lake High School. Thus, and based on these conservative forecasts, in Lake Placid in 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002 and 2003, we lost \$48,000, \$56,000, \$60,000, \$60,000, \$84,000, \$84,000, \$84,000, \$84,000, \$84,000, and \$84,000, respectively. The total loss for the period, ten years, without inflation is \$728,000. It is a reasonable, then, that we would have done equally as well in the Saranac Lake market which would make the total loss for the Lake Placid Project and the Saranac Lake Project approximately \$1.5 million dollars.

Initial Public Offering: In July of 1993 we began working with Gradin Equities, Inc. of Encino, CA. By early August 1993 we had agreed to a plan proposed by Gradin Equities, Inc. to participate in an IPO to raise \$50,000 with three levels of warrants that would bring the entire offering to \$1,050,000. Gradin Equities, Inc. has had a track record of successful offerings and came to us highly recommended by a local CPA firm. During the months of September, October and November 1993 we began putting together the information for the prospectus.

During that same time we were working on the Lake Placid Project. The timing could not have been better. Our IPO would be out right after the first of the year, right after coming off a highly successful project in Lake Placid. And, with another successful project in Saranac Lake immediately following Lake Placid, the profile of our offering would be excellent. Tragically, by the end of October we began hearing about

the defamatory stories emanating from Alcoholics Anonymous and those associated with Alcoholics Anonymous. While none of the stories were true, it stopped our IPO dead. Stories such as The Hagaman Guest House being a "cult," could not be left out of the disclosure required for a public offering. It became a "no win" situation. If we did not disclose the allegations, we would be fraudulently representing our stock sale. And, if we did disclose the allegations there would be no buyers. Based on 5 year projections with \$500,000 paid in capital the first year, The Hagaman Guest House would have a value per share of approximately \$7.00 per share (calculated on 1,000,000 shares and 10 X earnings). However during that same five years the market has performed so well that the price per share could have easily been twice that amount giving The Hagaman Guest House a value of \$10,000,000 to \$14,000,000. This analysis is based on only developing the property that was already occupied by The Hagaman Guest House and the availability of \$500,000. The public sale with warrants was for \$1,050,000 with plans for multiple facilities. Thus, damages could be as great as \$20,000,000 to \$28,000,000.

Nevertheless, we had to postpone doing anything on the IPO to let the air clear. But it did not. By April 1994 we had lost the Saranac Lake Project to the same defamatory claims by Alcoholics Anonymous. To make matters worse New York State's Office of Alcoholism and Substance Abuse Services took an active role in the defaming of the Saranac Lake Project, Baldwin Research, Inc., and The Hagaman Guest House. It is known that many members of Alcoholics Anonymous are employed by New York State's Office of Alcoholism and Substance Abuse Services. By the summer of 1994 we were forced to stop all marketing in the Lake Placid and Saranac Lake markets, and we had to abandon the IPO plan with Gradin Equities, Inc. Disclosure requirements about Lake Placid, Saranac Lake, and the allegations of "cult" and "investigations" would have killed the offering before it ever got out the door. Moreover, Gradin Equities, Inc. would not have accepted a deal with such negative disclosures. We never told Gradin Equities, Inc. about the defamation; we simply said we were not ready to go ahead with the deal. Our procrastination eventually caused Gradin Equities, Inc. to fade away. Even today the reason we have not done an IPO is because of the SEC disclosure requirements about the previous and current defamation of our businesses by Alcoholics Anonymous.

While the losses in Lake Placid and Saranac Lake were extensive, this was not the only place Alcoholics Anonymous was at work to systematically defame and damage our businesses. Alcoholics Anonymous is pervasive, having members in literally all branches of government and major corporations throughout the United States. After being a member of Alcoholics Anonymous for nearly 20 years, it is clear that members of Alcoholics Anonymous use their positions in a variety of ways to help *or to do what is perceived to help* Alcoholics Anonymous. For example, Alcoholics Anonymous arranged to have a member who works for the New York State Attorney General's Office call a fellow and intimidate this fellow not to persist in his effort to have a member of Alcoholics Anonymous charged for violating federal statutes that regulate

Confidentiality of Alcohol and Drug Abuse Patient Records. [Specific information of this violation of federal statute described in detail in response to #75.b) of the Defendant's DEMAND FOR INTERROGATORIES.]

We first encountered Alcoholics Anonymous' far reaching sphere of control when we received a letter from William T. Tyrrell, Assistant Director of Standards and Certification for New York State's Division of Alcoholism and Alcohol Abuse (later became the "New York State Office of Alcoholism and Substance Abuse Services"). According to Ms. Pat Mitchell, William Tyrrell is or was a member of Alcoholics Anonymous. Further, Ms. Mitchell, is an ex-employee of New York State's Division of Alcoholism and Alcohol Abuse and she contends that many of the employees are members or ex-members of Alcoholics Anonymous. Thus, it is probable that at least one and perhaps all those that are copied on Mr. Tyrrell's letter of April 26, 1991 were or are members of Alcoholics Anonymous. Mr. Tyrrell wrote:

Dear Mr. Brown,

Section 31.02 of the Mental Hygiene Law prohibits providers of alcoholism services from engaging in such services without an operating certificate issued by this Division. We have recently received an incomplete copy of a marketing plan for the Baldwin Group or the Baldwin Research Group (the report is lacking any organizational information) which indicates the Baldwin Group is providing alcoholism services but it has not been issued an operating certificate by this Division.

Under some circumstances, alcoholism services do not require an operating certificate, but it is necessary that we determine whether an exception applies to the Baldwin group or the Research Group or both. Therefore, please complete the attached form for each organization or provide to the officials of those organizations and return them to me within 14 days. Please be sure to include the legal incorporation or partnership papers and promotional literature, if any, as requested. If you do not have brochures for distribution to the general public, please include a careful narrative description of the organizational and programmatic nature of the alcoholism services you provide. We look forward to your cooperation in this matter. If you have any questions, please contact me.

Sincerely,

*William T. Tyrrell
Assistant Director
Standards and Certification*

*cc. W. Barnette
E. Freeman
J. Cadalso*

While Mr. Tyrrell's letter of April 26, 1991 may have been a "standard" inquiry by the Division of Alcoholism and Alcohol Abuse, it was surprising to us that the Division even knew that we existed; we were not incorporated or organized in any way. I had merely published a research paper and was considering providing that information to people who were interested in helping alcoholics and drug addicts recover from drug and alcohol problems. I responded to Mr. Tyrrell's inquiry on May 13, 1991:

Dear William,

The Baldwin Group is not a business; nor is the Baldwin Research Project a business. I am not a spokesman for the Baldwin Group, however, because of my extensive background in conducting research projects and writing research papers, it was my honor to author the research paper and business plan for the Baldwin Retreat Program. The Baldwin Retreat Program development resulted from the Baldwin Research Project of 1990 which discovered a method by which alcoholics and drug addicts have a 70%, or better, chance of recovery...

As of this writing no retreat program is being conducted. However, alcoholics and/or drug addicts who may want to purchase the results of the Baldwin Research Project, this information may be reorganized and made available at some later date for a yet to be determined price. Also in conjunction with the possible sale of the information some individuals in the group may teach educational sessions for an hourly consulting fee. The text used in these educational sessions have been developed as a result of the Baldwin Research Project, most of which is proprietary to the Baldwin Group.

Should the Baldwin Group decide to open a Retreat House at some time in the future the retreat house would conform to all applicable rules, laws, and regulations set forth by local, state, and federal government for conducting the business of a guest house.

You can be assured that should the Baldwin Group embark on such an enterprise it will not engage in any activities which require state licensing or any other state approvals.

Thank you for your interest in the Baldwin Group. Should you have any other questions please contact me 393-8775, and until then, I send,

Best regard,

Gerald J. Brown

[The previous letter was reconstructed from notes made during the preparation of the letter and is not presented as the exact letter sent to Mr. Tyrrell. The business plan section, if there was such a thing, was not with the notes for the letter and therefore is not presented herein. The actual letter should be on file with the New York State's Office of Alcoholism and Substance Abuse Services.]

For the next twenty months we worked on locating a suitable property for a guest house. In February 1992 we located and moved into the building that would become The Haganan Guest House.

Prior to moving into the facility we contacted the New York State Department of Health and asked that they inspect the property and provide us with the necessary information to open the house as a guest house. We had two meetings with Mr. Robert Maguire, Sr. Public Health Sanitarian for the New York State Department of Health: one on January 27, 1992 and a second on February 6, 1992. The following letter summarizes the result of Mr. Maguire's visits:

March 12, 1992

*Mr. Jerry Brown
123 Saratoga Road Suite 304
Scotia, NY 12302*

*Proposed Temporary Residence/ Bed
and Breakfast operation Formerly
Nealon Rest Home Hagaman (V) Mont. Co.*

Dear Mr. Brown:

On January 27, 1992, I made a pre-operating inspection of the subject facility which is located at 14 Church street, Hagaman (V), Montgomery County for the purpose of determining whether the building would meet the requirements of subpart 7-1 of the state sanitary code to be operated as a Bed and Breakfast type temporary residence. At that time I provided you with Subparts 7-1 and 14-1 of the State Sanitary Code, Fire Safety Plan Guidelines, a one year supply of Fire Safety operation Report Forms, Safe Food Service Guidelines, Temporary Residence Permit Applications and a Temporary Residence Registration Fee Schedule.

You indicated that initially only the first floor of the building is proposed for use. since the sleeping capacity of the first floor is rated for 9 people, it would not be necessary to make application to this office for a permit to operate a temporary residence. As per section 7-1.2 (a) of the State Sanitary Code, the requirement of Subpart 7-1 only apply to a temporary residence occupied by or maintained for occupancy by 10 or more people. However, you indicated that eventually the second floor will be renovated and opened up as part of the Bed and Breakfast operation. Prior to occupancy of the second floor, the building must be brought into compliance with the requirements of Subpart 7-1 of the State Sanitary Code which would include making application for and, in turn, receiving a temporary residence operating permit.

Renovations of the building must be completed in accordance with the NYS Uniform Fire Prevention and Building Code and prior to the sleeping capacity of the building exceeding 10 people, the provisions of subpart 7-1 of the State Sanitary Code must be met. During my survey, there were several issues that may have to be addressed such as proposed use of existing fireplaces, the installation of acceptable smoke detectors in sleeping rooms, acceptable smoke detectors in sleeping rooms, the enclosure of stairways, and/or sealing of unnecessary horizontal or vertical opening and the required enclosure of the heating system located in the basement .

As you requested, I have enclosed for your reference excerpts from the NYS Uniform Fire Prevention and Building Code, "generally accepted standards" regarding building material and method of construction that would allow you to obtain the necessary fire resistance rating for enclosure of stairways, vertical/horizontal openings, and/or heating equipment.

Subsequent to our January 27, 1992, meeting on February 6, 1992, I returned to collect bacteriological and chemical water samples from the drilled well water system serving the subject facility. There is a water softening unit located in the basement of the building, however, it is not currently being used. The enclosed water sample results indicate that bacteriologically the water was of a safe sanitary quality at the time of sampling. Chemically, the water was physically desirable and the constituents tested were within the prescribed limits for NYS drinking water guidelines except for the water is in the zone of carbonate deposition, i. e. , hard water.

You should be certain that before beginning operation as a Bed and Breakfast the facility will meet all applicable state, local and municipal laws, ordinances, codes, rules and regulations. Should you have any questions regarding my sanitary survey, the information I provided you at the time of our meeting, this transmittal or related matters, please feel free to contact our office again.

Very truly yours,

ROBERT E. MAGUIRE

Sr. Public Health sanitation

Rem/jn

Enc.

*cc: Mr. Carl Kruger
Code Enforcement Officer /Hagaman (V)
Scenic Drive
Hagaman, NY 12086*

Consistent with my letter May 13, 1991 to Mr. Tyrrell of Alcoholics Anonymous and New York State's Office of Alcoholism and Substance Abuse Services, we contacted the New York State Department of Health to assure that the Retreat House [known as a "guest house"] would conform to all applicable rules, laws and regulations set forth by local, state and federal government for conducting the business of a guest house."

Because we anticipated some resistance from what ever community we moved into, we had a well defined plan for handling such resistance. It is important to note that the community resistance which was initially based on alleged zoning and building code violations was substantially different than the defamation by Alcoholics Anonymous

which always included the words "cult" and "investigation" and allegations of wrongdoing involving children. Additionally, the initial community resistance was not particularly harmful inasmuch as we were prepared for it. However, we were not prepared for the village, county, and state governments joining forces to "close the home down" [meaning The Hagaman Guest House].

During the public discussions with the village officials, The Recorder reported June 17, 1992 that: "...some claiming that it [meaning The Hagaman Guest House] is a drug rehabilitation house ..." and "...Major [mayor of the Village of Hagaman] asked if Brown still was planning on turning the building [meaning "The Hagaman Guest House"] into a bed and breakfast, the unidentified man said no, it was a rehabilitation house for drug users and alcoholics." Even though I clearly stated in the same article that our business was to be a bed and breakfast, exactly what I had told Mr. Tyrrell of Alcoholics Anonymous and New York State's Office of Alcoholism and Substance Abuse Services in my letter of May 31, 1991, I received a second letter from Mr. Tyrrell dated February 17, 1993 which stated:

*Mr. Gerald Brown
Hagaman Retreat House
14 Church St.
Hagaman, NY 12086*

Dear Mr. Brown,

As I informed you in correspondence in April 1, 1991, Section 31.02 of the New York State Mental Hygiene Law prohibits any person or organization from providing alcoholism services without an operating certificate from this agency. In addition, that section prohibits operating a residential facility or institution for the care, custody, or treatment of any person suffering from alcoholism or alcohol abuse or other mental disability without an operating certificate. Section 19.21(a) of the law further requires that anyone who purports to provide alcoholism services must obtain the approval of this Office. We have been provided newspaper articles which describe the Hagaman Retreat House as a "halfway house" or "rehabilitation home" for recovering alcoholic and drug abusing persons.

In 1991, you reported that neither you nor your organization was providing any services at all and stated, "Should the Baldwin Group decide to open a Retreat House at some time in the future the Retreat House would conform to all applicable rules, laws and regulations set forth by local, state and federal government for conducting the business of a guest house." Based on the newspaper reports, there is reason to inquire as to the current accuracy of the latter statement.

Therefore, please complete the attached form and return it to me within 14 days regarding the activities being conducted at the location in the address above. Please be sure to include the legal incorporation or partnership papers and promotional literature, if any has been developed.

It would also be helpful if you include a careful narrative description of the entire organization and the services it currently provides.

We look forward to your cooperation in this matter. If you have any questions, please contact me.

Sincerely,

*William T. Tyrrell
Assistant Director
Standards and Certification*

cc. Neil C. Grogin, Edward Freeman, Patrick Liverio

There are several telling things about this letter. First it is inexplicable that Mr. Tyrrell waited to take action on a newspaper article that was published eight months earlier. It is not probable that Mr. Tyrrell, through happenstance, found a copy of the article eight months after it was published. What is probable is that, Ms. Sherry Gillette of Alcoholics Anonymous and a friend of Mr. Tyrrell (or another local Amsterdam member of Alcoholics Anonymous), gave Mr. Tyrrell a copy of the newspaper article during January or February of 1993. The reason we suspect that Ms. Gillette had some hand in convincing Mr. Tyrrell to use his position in New York State's Office of Alcoholism and Substance Abuse Services to harass The Hagaman Guest House is that it became clear that Ms. Gillette, and perhaps St. Mary's Hospital did not want competition in their heretofore captured market. Eighty percent of all Alcoholics Anonymous meetings in Amsterdam are held in facilities operated by St. Mary's Hospital, and St. Mary's rehabilitation was the only program for recovery from drug and alcohol problems in the Montgomery County market prior to the opening of The Hagaman Guest House.

The reasons we claim that Mr. Tyrrell's letter is harassing are two: First, in the same newspaper article that he cites as his reason to inquire about our current activities, I am quoted as saying that we are opening a bed and breakfast, which is exactly consistent with my plans expressed in my May 31, 1991 letter to Mr. Tyrrell. Second, Mr. Tyrrell chose to ignore my consistency and implied that I was lying. He writes: "*Should the Baldwin Group decide to open a Retreat House at some time in the future the Retreat House would conform to all applicable rules, laws and regulations set forth by local, state and federal government for conducting the business of a guest house.*" Based on the newspaper reports, there is reason to ***inquire as to the current accuracy of the latter statement.*** It would appear that Mr. Tyrrell acted on the testimony of "some" [meaning "some people"] and "an unidentified man" in the eight month old newspaper report rather than my publicly stated plan for starting a bed and breakfast. Obviously, the newspaper article was nothing more than a contrived reason

for beginning a harassment and defamation campaign against our business in collusion with county and village government. And, the presence of collusion between Ms. Sherry Gillette, of Alcoholics Anonymous and Director of St. Mary's Rehabilitation and Treatment Program and Mr. William Tyrrell, of Alcoholics Anonymous and Assistant Director of New York State's Office of Alcoholism and Substance Abuse Services is given even more credibility by the fact that, at that time reports from some employees of St. Mary's Rehabilitation and Treatment Program indicated that Ms. Gillette and other members of Alcoholics Anonymous in Montgomery County had begun an active campaign to defame our businesses. Nevertheless on March 5, 1993, I responded to Mr. Tyrrell:

*Mr. William T. Tyrrell
Office of Alcoholism and Substance Abuse Services
194 Washington Avenue
Albany, New York 12210*

Dear Bill,

Thank-you for the clarification on the telephone on February 23, 1993. The clarification was helpful, in that your letters of April 26, 1991 and February 17, 1993 seemed ominous, what with the references to law, implied allegations, and deadlines for a response.

I have reviewed the form you sent, and as was the case in 1991, I am unable to fill in the information. We are not a treatment facility; we are a guest house. Everyone is welcome to stay at the guest house. The guest house operation provides only those services that would be normally provided by any other boarding house, bed and breakfast, or guest house.

For example, The Hagaman Guest House offers the same services the Schenectady YMCA offers except our rooms are clean and cheery, and we provide a homelike atmosphere. In contrast to the Schenectady YMCA, The Hagaman Guest House offers its guests the "run-of-the-house," including kitchen facilities, magnificent living rooms, televisions with VCR's, study areas, and free laundry facility. Moreover, The Hagaman Guest House guests get all these extras for just \$4.27 more per day than Schenectady YMCA's cheapest weekly rate.

There are four reasons I use the Schenectady YMCA as means of understanding The Hagaman Guest House operation. First, The Hagaman Guest House, like the YMCA, will rent rooms to anyone. Second, The Hagaman Guest House guests, like the YMCA guests, have a high incident rate of alcohol and other drug related problems. In fact, like the YMCA, The Hagaman Guest House caters to that market. Third, The Hagaman Guest House, like the YMCA, is an unsupervised and unrestricted environment. And fourth, The Hagaman Guest House, like the YMCA, does not care for, have custody of, or treat any person suffering from alcoholism or alcohol abuse or other drug abuse or other mental disability. Unlike the Schenectady YMCA, The Hagaman Guest House is a drug free facility.

As another example of a comparable operation with The Hagaman Guest House, I direct your attention to The Rock Motel in Amsterdam, New York. The Hagaman Guest House, like The Rock Motel will rent rooms to anyone, has a high incident rate of alcohol and other drug related problems in its guest population, caters to the substance abuser market, is an unsupervised and unrestricted environment, and does not care for, have custody of, or treat any person suffering from alcoholism or alcohol abuse or other drug abuse or other mental disability. Unlike The Rock Motel, The Hagaman Guest House is a drug free facility. The Hagaman Guest House is \$4.99 less expensive per day than the cheapest rate offered by The Rock Motel.

Our understanding is, neither the Schenectady YMCA nor The Rock Motel have operating certificates issued by the Office of Alcoholism and Substance Abuse Services. Further, we have firsthand knowledge of programs that have operating certificates from the Office of Alcoholism and Substance Abuse Services and that regularly, but unofficially, place persons coming out of such programs in the Schenectady YMCA and The Rock Motel. Many guests come to The Hagaman Guest House after participating in a treatment program elsewhere.

Now then, addressing the newspaper articles you refer to in your letter of February 17, 1993. You state you "have been provided newspaper articles which describe the Hagaman Retreat House as a "halfway house" or "rehabilitation home for recovering alcoholic and drug abusing persons." On Wednesday, 17 June 1992, The Recorder, an Amsterdam, New York newspaper, reported:

"...some claiming that it [meaning The Hagaman Guest House] is a drug rehabilitation house and..."

"...asked if Brown still was planning on turning the building [meaning The Hagaman Guest House] into a bed and breakfast, the unidentified man said no, it was a rehabilitation house for drug users and alcoholics."

It is of more than passing interest to note WHO, according to this newspaper account, is making the allegations that The Hagaman Guest House is "a drug rehabilitation house." The two experts making the allegations in this newspaper article are "some" and "the unidentified man."

You stated in your letter, "Based on the newspaper reports, there is reason to inquire as to the current accuracy of the latter statement." The latter statement to which you refer was a statement made by me in my letter to you back in April of 1991 where I said, "Should the Baldwin Group decide to open a retreat house at some time in the future the retreat house would conform to all applicable rules, laws and regulations set forth by local, state and federal government for conducting the business of a guest house."

In contrast to the nameless characters in the newspaper whose comments you say are the reason your organization wants us to respond to its request for private information about us within 14 days, I clearly stated in the same newspaper article what our business was to be, and when we intended to begin. In the aforementioned article it reported, "Brown said that he has been cooperative with village officials, and said the house will remain a private residence until he begins the process of opening a bed and breakfast in the fall."

To further clarify our plans and activities, please consider the following:

In my letter to you of April 1991, I stated we would "...conform to all applicable rules, laws and regulations set forth by local, state and federal government for conducting the business of a guest house." Based on the statement, clearly, we did not intend to start a "halfway house," "therapeutic community," "rehabilitation home," or any other form of treatment for alcohol or other types of drug abuse. I said, if we were to start a business it would be a GUEST HOUSE. And, at that time, I said, if we started a guest house we would conform to all applicable laws governing guest house operation.

When I first contacted the Village of Hagsman in February 1992 I informed them we were going to open a bed and breakfast. Please take note that the State of New York, Department of Health, considers the terms "boarding house," "guest house," and "bed and breakfast" the same type of business, that is, a "temporary residence."

At a meeting with the Hagsman Village Board and Village Attorney at 10:30am on Wednesday, 3 June 1992, I reiterated that The Hagsman Guest House was to be a bed and breakfast. At that time the Village Attorney said a boarding house and a bed and breakfast were not the same thing. I told them it did not matter to us what they wanted to call The Hagsman Guest House; in fact, it was to be a temporary residence.

In an interview on June 16, 1992, I told David Stearns, the reporter for The Record, The Hagsman Guest House was to be a bed and breakfast.

On June 18, 1992, Fran Bogardus, a reporter for The Daily Gazette accurately reported:

"...Brown, 50, said Tuesday he doesn't plan to set up a halfway house or rehabilitation center because they don't work. But he wants to open a bed and breakfast this fall that will generate money he needs to continue his research on recovery for alcoholics and drug addicts."

Today, on 5 March 1993, I am informing you and the Office of Alcoholism and Substance Abuse Services, The Hagsman Guest House is a boarding house, or a bed and breakfast, or a rooming house, or whatever else may be considered as a temporary residence. The Hagsman Guest House is not only a temporary residence insofar as the

letter of the law that provides for such enterprises, it is a temporary residence with respect to the spirit of the law as well. I am prepared to give your office a sworn statement that we provide no treatment, no counseling of any kind, no advice, no guidance, no monitoring of activities, no recommendations, no medical treatment nor any other activities that could possibly be construed as treatment for alcoholics, problem drinkers, and drug addicts.

For nearly two years we have consistently and repeatedly stated we have no interest in starting halfway houses, therapeutic communities, rehabilitation houses, three-quarter houses, or any other type of treatment facility. Our plan is simply to open a guest house. Who comes to the guest house is only the business of those who may come. It is reasonable to assume that some, many, or all of the guests of The Haganan Guest House could be alcoholics, drug addicts, golfers, gamblers, computer scientists, teachers, lawyers, doctors, etc. Whatever they may be, it is their right to be whatever they are without the State of New York knowing where they are and what they may be doing, so long as the activities they may be involved in are not illegal.

Although, you did not specifically ask about the Tri-Key™ Group, Inc.'s Tri-Key™ Program of recovery, the Tri-Key™ Program is a spiritually based educational program that teaches spiritual principles by which to live one's life. All the books we use in our program are available to the public. The texts we use can be obtained at many public libraries through-out the State of New York. The Tri-Key™ Group, Inc. has obtained permission from the publishers of the books we use in the Tri-Key™ Program to use all of their published materials.

The Tri-Key™ Program is a spiritual program for recovery from alcoholism, drug addictions, over-eating, gambling, most any and all compulsive behavior, or the program may be attended just to improve an unhappy life or improve upon an already happy life.

Today many alcohol and substance abuse counselors and other professions equate the word "program" to "treatment." The fact that we call our spiritual program of recovery a "program" does not mean nor is it implied to mean "treatment." Please consider the following use of the word "program" in the book entitled Alcoholics Anonymous, 1976 Third Edition, forty-fourth printing, 1992.

On the fly leaf of the book it states, "...that many more may be led toward recovery by reading its explanation of the A.A. program and its personal evidence that the A.A. program works."

In the Preface, page XI, it states, "Therefore, the first portion of this volume, describing the A.A. recovery program, has been left untouched..."

In the Foreword to the Third Edition, page XXII, it states, "The basic principles of the A.A. program, it appears, hold good for many different lifestyles, just as the program has brought recovery... ..The Twelve Steps that summarize the program..."

In the Second Chapter, page 19, it states, "This should suggest a useful program for anyone concerned with a drinking problem."

And, in Chapter Five, page 58, it states, "Those who do not recover are people who cannot or will not completely give themselves to this simple program, usually men and women who are constitutionally incapable of being hone with themselves." And, again on page 59, "Here are the steps we took, which are suggested as a program of recovery..."

Over and over again, throughout the book, Alcoholics Anonymous refers to itself as a "program." It is stated and understood that the A.A. "program" is a program to recover from alcoholism and problem drinking. To exactly the same extent Alcoholics Anonymous is a program to recover from alcoholism and drinking problems, the Tri-Key™ Program is a program to recover from alcoholism and drinking problems.

Specifically, the only texts used in the Tri-Key™ Program are Alcoholics Anonymous and The Baldwin Research Project of 1990. Alcoholics Anonymous is available to anyone who would choose to pay the price of the book. The Baldwin Research Project of 1990 is available to anyone who would request the same from the Tri-Key™ Research Institute. We teach nothing, discuss nothing, present nothing that is not already available to our guests from other public sources - public sources are not regulated or authorized to operate by any agency, department, office, or other government entity of the State of New York or of the Federal Government.

Inasmuch as the information being presented in the Tri-Key™ Program is available from other public sources that are not required to secure an operating certificate from the Office of Alcoholism and Substance Abuse Services, it is appropriate then that the Tri-Key™ Group, Inc. also not be required to secure an operating certificate from the Office of Alcoholism and Substance Abuse Services.

You did not ask about the Tri-Key™ Research Institute. The Tri-Key™ Research Institute is a not-for-profit research institute that has been issued a Certificate of Incorporation by the State of New York and has been approved to do research by the New York State Board of Education.

In summary then, The Hagaman Guest House is just that, a guest house. The Tri-Key™ Program is a program based on achieving happiness through understanding the need for the leveling of pride, an honest self-appraisal, the confessing of our shortcomings and acceptance of God into our lives. The Tri-Key™ Research Institute conducts research that includes, among other studies, the effects of a spiritual conversion with respect to recovery from alcoholism and other forms of drug addictions.

I have included information sheets for each one of our programs and corporations. Additionally, I have enclosed a copy of The Baldwin Research Project of 1990 for your review. Should you have any additional questions, please give me a call. Until then, I send,

*Best regards,
Gerald J. Brown*

Because of subsequent defamation by New York State's Office of Alcoholism and Substance Abuse Services it is vital that it be understood the level of detail we provided Mr. Tyrrell with respect to our program. (See *The Baldwin Research Project of 1990* in Folder "7", Demand for Documents)

Despite our comprehensive response to Mr. Tyrrell's request for information, the New York State's Office of Alcoholism and Substance Abuse Services continued to defame and harass our companies and me, personally.

By the time this action was commenced such defamatory statements were commonplace in Alcoholics Anonymous throughout Saratoga, Schenectady, and Schoharie Counties. The most frequently heard defamation at that time was that we were a "cult," that we were an organization of "white supremacists," and that we were "gay," homosexuals. The defamation against me, personally, the Baldwin House and subsequently Baldwin Research and The Hagaman Guest House started in Alcoholics Anonymous and continued to be disseminated through Alcoholics Anonymous. For the entire time, minimally two themes were and are prevalent: (1) cult or cultlike (i.e. white supremacists) and (2) sexual misconduct (while it is not our belief that homosexuality is sexual misconduct, the bigoted defamation that we were gay was intended to suggest that we were involved in some sexual deviant practices.). Many of these defaming statements were attributable to Mr. Angelo Napolitano, who at that time and probably still is, an officer in Alcoholics Anonymous. Certainly Ms. Sherry Gillette of Alcoholics Anonymous and Director of St. Mary's Rehabilitation and Treatment Program is either a friend of or an acquaintance of Mr. Napolitano. Moreover, it is highly likely that Mr. Napolitano knew a number of Alcoholics Anonymous members that worked for New York State's Office of Alcoholism and Substance Abuse Services.

At this time, however, we were certain that the defamation and harassment by the village, county and state emanated from Alcoholics Anonymous. Prior to this time the village and county agencies had made no reference to "cult" or sexual misconduct involving children. Additionally, there were a number of members of Alcoholics Anonymous who were public officials and who could have promoted the defamation: Mr. Bill Tyrrell of Alcoholics Anonymous and New York State's Office of Alcoholism and Substance Abuse Services, or Mr. Raymond Conte, of Alcoholics Anonymous and an investigator for New York State's Office of Alcoholism and Substance Abuse Services, or Ms. Sherry Gillette of Alcoholics Anonymous and Director of St. Mary's Rehabilitation and Treatment Program, member of the Montgomery Community Services Board and

who operates the only rehabilitation program in Montgomery County. Moreover, the connection among these conspirators is further confirmed by the April 5, 1993 report in The Recorder. Up to this point New York State's Office of Alcoholism and Substance Abuse Services and its employee members of Alcoholics Anonymous remained in the background. But now that the local government assault on our businesses had failed to shut our operations down, New York State's Office of Alcoholism and Substance Abuse Services became vocal publicly.

On April 5, 1993, The Recorder, Amsterdam, New York's primary newspaper, reported the following: *"His [meaning 'Jerry Brown's'] program is being reviewed by the state Division of Alcohol and Substance Abuse, which is trying to determine if Brown should apply for a permit to operate the home.*

'We're in the process of deciding if they need a license to operate the home,' said Richard Chady, a spokesperson for the department. "We have some correspondence from them and we're evaluating it now."

Mr. Richard Chady is a member of Alcoholics Anonymous. As a spokesperson for a government agency, Mr. Chady must know that inquiries by the press as to the status of an "in progress" investigation as to whether or not we needed to be licensed must not be responded to. Specifically, Mr. Chady's response, by design, left open the possibility that we may need a license from them to conduct our business.

It would have been equally accurate for Mr. Chady to respond: "To the same extent that we review all programs dealing with drug and alcohol problems in the state, we have been in contact with the Baldwin Program. At this time there is no indication that they are operating illegally." This statement is true and at the same time does not defame us. We contend that Mr. Chady intentionally implied to the public that we may be operating illegally. Our assertion in this matter is based on the following. First back in 1991 Mr. Tyrrell wrote to me asking what we were doing. I wrote back to Mr. Tyrrell telling him exactly what we were doing at the time. Mr. Tyrrell accepted our explanation without further comment. Again in February 1993, Mr. Tyrrell wrote, and again inquired as to our activities, but this time accused us of being dishonest in our response of two years earlier. Two weeks later I responded to Mr. Tyrrell's second inquiry. In my response I reiterated exactly what I had said in my response to his 1991 inquiry. I wrote: *"We are not a treatment facility; we are a guest house. Everyone is welcome to stay at the guest house. The guest house operation provides only those services that would be normally provided by any other boarding house, bed and breakfast, or guest house."*

Based on Mr. Tyrrell's action after our first response in 1991 it should follow that our far more in-depth response in 1993 would end the inquiries. Based on my written response to Mr. Tyrrell, Mr. Chady (already having the information contained in my March 1993 response) should have said to the newspapers: "We have received a written assurance from The Hagaman Guest House that they are not providing

treatment. They have reported that they are a guest house." This type of report would not have been defaming. Actually there were many ways Mr. Chady could have worded his statement to the newspaper that would not have been defamatory. He chose his words to intentionally cast suspicion on our operations.

Because many employees of OASAS are also members of Alcoholics Anonymous it is clear that the defamation which was organized, carried out and maintained by AA was beginning to permeate the state agencies charged with the licensure of treatment facilities. Obviously, because AA had the ear of OASAS, and was using them as a tool to further the defamation, we had become unhappy with our relationship with the Office of Alcoholism and Substance Abuse Services. Clearly there was not going to be a constructive relationship with Office of Alcoholism and Substance Abuse Services.

Over the next several months there were letters exchanged between the Baldwin Research Institute and the Office of Alcoholism and Substance Abuse Services. All the letters from the Office of Alcoholism and Substance Abuse Services had the same character of warning us of the Office of Alcoholism and Substance Abuse Service's statutory responsibilities and unfairly restraining us from competing against organizations licensed by Office of Alcoholism and Substance Abuse Services. However, throughout 1995, 1996 and most of 1997 there was little contact between OASAS and our organizations. We continued to get reports from our informants within OASAS about OASAS employees saying we were a "cult" and that adolescents were being mistreated at The Haganan Guest House.

Throughout all the harassment and defamation from the Office of Alcoholism and Substance Abuse Services, Ms. Sherry Gillette, a member of Alcoholics Anonymous and Director of St. Mary's Rehabilitation and Treatment Program, along with employees of Office of Alcoholism and Substance Abuse Services who also were (are) members of Alcoholics Anonymous were present and were responsible for filing complaints against The Haganan Guest House and initiating investigations into the operations of The Haganan Guest House.

Prior to the Lake Placid Project and the Saranac Lake Project, throughout 1993, and indeed, right up through 1998, St. Mary's Rehabilitation and Treatment Program has engaged in promulgating defamatory statements. These defamatory statements have emanated from the Director of St. Mary's Rehabilitation and Treatment Program, Ms. Sherry Gillette, and many of the employees of St. Mary's Hospital. Ms. Sherry Gillette is a well known and long time member of Alcoholics Anonymous.

St. Mary's Rehabilitation and Treatment Program: The damage from St. Mary's Rehabilitation and Treatment Program began shortly after relocating to Montgomery County from Schenectady County. In the summer of 1992 I met with John Cappola, Director of Catholic Charities for Montgomery County. I had known Mr. Cappola for several years. We worked together on the Diocesan Substance Abuse Task Force for the Diocese of Albany. In a casual conversation, Mr. Cappola told me

that if I wanted to open a guest house for alcoholics and drug addicts in Montgomery County, I would have to get Ms. Sherry Gillette and Montgomery County Community Services Board to agree to it. Thus, a meeting was set with Sherry Gillette late in August 1992 to discuss the guest house operating in Montgomery County. Based on my thank-you memo for the meeting, it is obvious that Ms. Gillette attended the meeting on behalf of Alcoholics Anonymous. The entire meeting centered around Ms. Gillette's resistance to us providing a program that taught the program of Alcoholics Anonymous. In a conciliatory memo on September 8, 1992, I again attempted to soothe Ms. Gillette's concerns about our program. I wrote:

MEMO: Ms. Sherry Gillette

DATE: September 8, 1992

FROM: Jerry Brown

Thank-you for the time you gave Jim [then CEO of The Haganan Guest House] and I on August 26th. During our conversation you brought up some very important issues - issues that I too have struggled with over the last several years. While we were talking about A.A. and how professional treatment programs have affected A.A., I had thoughts that I could not seem to articulate at the time. Probably the most troublesome thought is this: My first concern is for A.A., and what should I be doing to pass on the message as it was given to me.

Alcoholics Anonymous did not just help me return to a healthy, productive life, it has given me a chance for life far beyond anything imaginable within the human condition. Because of this profound experience, it is clear to me I must pass on to others the process which brought me to this incredible way of life.

In telling what happened to me, I talk almost constantly about the Big Book[refers to book entitled Alcoholics Anonymous]. Many believe my purpose is to teach the Big Book, how the program of Alcoholics Anonymous works, from some lofty perch or from some moral high ground. While this may be the perception by fellow A.A.'s, it could not be further from the truth. I talk about the Big Book's program of recovery because that is what allowed me, for the first time in my life, to begin to have a relationship with God. I talk about the Big Book, not because I am teaching it, but because I lived it. It is the only experience I have to share.

I never had my own program - I do not know what it is like to "work my program." I do not know how I would have turned out had I incorporated some of my own thinking into the program of Alcoholics Anonymous. Maybe the outcome would have been the same. I, however, will never know, because I did not use any of my own thoughts. I gave myself, reluctantly, but completely, to the A.A. program of recovery. It worked for me - I am convinced it will work for anyone who wants it.

Nonetheless, I understand that the message has not been carried, if no one has listened. I do not want to alienate fellow A.A.'s. I know now I must learn to present the A.A. message with

less personal enthusiasm and to be more conciliatory with respect to the philosophies practiced in the fellowship today.

The other question that haunts me, as we proceed to open the Haganan Guest House, is the question of accepting pay for teaching A.A. Although I do not consider Bill W. as having any special insights in this regard, I do value his opinion as I would any other person in our fellowship. Thus, in 1958, "talking about service problems that could not be met by A.A. Groups," Bill wrote, "The same thing has happened with drying-out places and Twelfth Step houses managed by A.A.'s. We never think of these activities as A.A. Groups. They are clearly seen as the functions of interested individuals who are doing helpful and often very valuable jobs." He goes on to say in the same article, "Some years ago, a number of us A.A.'s wanted to enter the field of alcohol education. I was one of them.[talked about some perception problems]....But now that this correction has been made, plenty of A.A. members work in this field, and we are glad that they do."

Whether Bill's assessment as to the value of drunk farms, A.A. houses, and A.A. education programs was correct or not, is not the question we face today. The fact is, today, A.A. is being taught - for money and often by people who are not drunks and are not members of our fellowship. Moreover, these teachings which are promulgated by well intentioned professionals are changing Alcoholics Anonymous. Many of Alcoholics Anonymous's fundamental principles have been obscured by the new rehab rhetoric.

If we, who were given our lives back through practicing the principles of Alcoholics Anonymous, do not work to preserve the integrity of the program, the program that worked for us will surely perish. An oldtimer and mutual friend of ours, Steve S., said, A.A. will be gone by year 2010. While it may be hard to believe Steve S. an optimist, I think in this case he is. A.A., as rapidly as it is changing, may not survive this century.

Additionally, the question is not whether A.A. should or should not be taught for pay. Our reality is A.A. is being taught for pay in thousands of rehabilitation programs through-out the country. This practice will be the destruction of Alcoholics Anonymous. It has already changed the posture of GSO.

The question is, whether or not A.A.'s, themselves, can educate enough newcomers to offset the effects of the rehab rhetoric. If we can, A.A. survives; if not, it will die; perhaps to be discovered again sometime during the next century.

As for places like McPike's Farm, High Watch, and The Haganan Guest House, are these special service groups the right way to go? I don't really know. But what I do know is, it is better for us to try something than to do nothing. To do nothing is a decision; it is a decision to leave the A.A. teaching responsibility to professional treatment programs.

I can not know if starting an A.A. educational program is good for A.A. I think it is important to find out. With help from people such as you and others who are dedicated to the

principles of A.A., I believe we can proceed to find out without endangering local A.A. Groups, A.A. as a whole, or ourselves.

In the weeks and months that followed it was clear that we had not been successful in our efforts to work with Ms. Gillette. Week after week we heard from "friendly" staff members and patients of St. Mary's Rehabilitation and Treatment Program that employees of St. Mary's Rehabilitation and Treatment Program discussed with their patients that The Hagaman Guest House was a "cult," that it was operating illegally, that its staff was not qualified, and that it was operating in violation of the Alcoholics Anonymous Traditions [a group of sacrosanct corporate policies of Alcoholics Anonymous World Services, Inc. Anyone violating these traditions would receive few if any referrals from members of Alcoholics Anonymous.]

In an attempt to stop the defamation from further contaminating Alcoholics Anonymous, I wrote a letter to Ms. Gillette on 14 December 1992:

Dear Sherry,

Earlier this year you, Jim Norton and I had a luncheon meeting to talk about The Hagaman Guest House and The Tri-Key[™] Program. You suggested at that meeting it might be interesting to ask GSO about the use of A.A. literature in educational programs such as our.

I wanted you to know that I followed up on your suggestion, and enclosed you will find the correspondence between Tom Jasper, GSO Services Director and myself. Based on Tom's letter of December 7th, "Alcoholics Anonymous World Services, Inc. has granted to the Tri-Key[™] Group, Inc. and its subsidiaries, permission to use a number of A.A. publications in its (Tri-Key)[™] educational program."

Thank-you for your suggestion. If there are other suggestions you may have to improve our program or service please let us know.

Our program is going well. To date we are experiencing an 80% success rate. Our expectations are that rate will settle in at about 70% at end of one year of operation.

We hope we can serve some of St. Mary's Rehabilitation Program's clients in the future. Thanks again for the help, and I send,

Kindest personal regards,

Gerald J. Brown

During this period, all of 1992 and the first half of 1993, we did not get a single referral from Alcoholics Anonymous in Montgomery County or Fulton County. Nearly half of our business came from adjacent Schenectady County. At the time I was well known with a good reputation in Alcoholics Anonymous. I knew many members of Alcoholics Anonymous in both Schenectady and Montgomery Counties. The

defamatory campaign mounted by Alcoholics Anonymous through Ms. Sherry Gillette and St. Mary's Rehabilitation and Treatment Program was completely effective. The Montgomery County and Fulton County market was destroyed by the defamation. In fact it still is today, there has been zero referrals in the last 6 years.

In an effort to improve relations, in July 1993, I agreed to give a presentation to St. Mary's Rehabilitation and Treatment Program staff. From our point of view, the purpose for the meeting, was to try to stop the defamation by showing goodwill toward St. Mary's Rehabilitation and Treatment Program and its employees. A few weeks prior to the meeting we heard from two employees of St. Mary's Rehabilitation and Treatment Program that Ms. Gillette's plan was to get us to commit at the meeting that we were providing a "treatment for alcoholism" which according to New York State Office of Alcoholism and Substance Abuse Services would be illegal. After talking it over with our attorney, we decided it was not worth the risk, and on 15 July 1993 I wrote Ms. Gillette and simply demanded that the defamation stop:

*Ms. Sherry Gillette
St. Mary's Alcoholism
Rehabilitation and Treatment Program
76 Guy Park Avenue
Amsterdam, New York 12010*

Dear Sherry,

Based on advice of counsel, regretfully, we will be unable to meet with your staff on July 28, 1993 as planned.

Also we have been advised to call to your attention to statements that may have been made by employees of St. Mary's Alcoholism Rehabilitation and Treatment Program regarding our businesses and that said statements may be considered slander. Statements by employees of St. Mary's Alcoholism Rehabilitation and Treatment Program that state or imply our businesses are operating illegally or that our businesses violate the traditions of Alcoholics Anonymous are not true and have already damaged our businesses.

Information regarding statements damaging to our business came to us by way of clients of St. Mary's Alcoholism Rehabilitation and Treatment Program. These clients have said disparaging remarks about The Hagaman Guest House are common conversation among the counselors working for St. Mary's Alcoholism Rehabilitation and Treatment Program. Further, guests of The Hagaman Guest House have attended Alcoholics Anonymous meetings at St. Mary's Alcoholism Rehabilitation and Treatment Program where clients of St. Mary's Alcoholism Rehabilitation and Treatment Program have repeated slanderous remarks regarding The Hagaman Guest House and stated the authoritative source of the slanderous remarks as being St. Mary's Alcoholism Rehabilitation and Treatment Program.

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The Hagaman Guest House, Inc., the Tri-Key[™] Group, Inc., the Tri-Key[™] Research Institute, Inc. are legitimate businesses in the Village of Hagaman, County of Montgomery, and State of New York. At this time we demand St. Mary's Alcoholism Rehabilitation and Treatment Program and its employees, St. Mary's Hospital and its employees, and all other representatives and agents of St. Mary's Hospital immediately cease promulgating slanderous information with respect to The Hagaman Guest House, Inc., the Tri-Key[™] Group, Inc., the Tri-Key[™] Research Institute, Inc., and employees, representatives, and agents of each aforementioned organization.

For the record, our organization wants to have good relations with all its neighbors in Montgomery County and elsewhere. Thus, we will work toward restoring more normal relations between The Hagaman Guest House and St. Mary's Alcoholism Rehabilitation and Treatment Program, and between The Hagaman Guest House and St. Mary's Hospital.

We are prepared to discuss our concerns with you at your convenience. We await your reply, and it is hoped that we can quickly resolve our differences to work together in the future.

Regards,

*Gerald J. Brown
Director*

*cc: Mr. Peter Capobianco[St. Mary's Hospital Administrator]
St. Mary's Hospital
427 Guy Park Avenue
Amsterdam, New York
12010*

Eight days later we received Ms. Gillette's response dated 22 July 1993:

*Mr. Gerald J. Brown, Director
Tri-Key Group, Inc.
123 Saratoga Rd. Suite 408
Scotia, New York 12302*

Dear Mr. Brown:

I am in receipt of your letter dated July 15, 1993 and have reviewed it with my staff. All allegations are denied, however, I have instructed my staff to refrain from mentioning and/or discussing your facility from here on out.

I'm sorry that you or your staff may have experienced difficulty. I'm certain, based on my experience in the field of alcoholism over the past 20 years, that facilities function and/or prosper based on their own merit.

Sincerely,

*Sherry Gillette
Director*

*cc: Peter Capobianco, Administrator, St. Mary's Hospital
John Townsend, Regional Representative, OASAS
Mike Turner, Montgomery County Community Services Director*

Based on Ms. Gillette's response two things became clear. First and based on her ending paragraph, Ms. Gillette certainly did not intend to stop the defamatory information being disseminated by her, her staff and the local Alcoholics Anonymous fellowship that is controlled in the Amsterdam, New York area by St. Mary's Rehabilitation and Treatment Program. Second, it was clear that Ms. Gillette had co-conspirators with respect to the dissemination of defamatory information about The Haganan Guest House: Mr. John Townsend of OASAS and Mr. Michael Turner of the Montgomery County Community Services Board.

Additionally, we received firsthand reports that the defaming of The Haganan Guest House was still very much a part of St. Mary's Rehabilitation and Treatment Program. In September 1993 Mr. Diehl Beasley, for example, was a guest at the guest house while going to outpatient therapy at St. Mary's Rehabilitation and Treatment Program and was told by his counselor at St. Mary's Rehabilitation and Treatment Program that The Haganan Guest House was a cult and that he should try to get out as soon as possible.

But it wasn't until the Lake Placid Project that we began to see a distinct pattern of defamatory reports emerge. At this time we began to understand that there was an actual conspiracy in place to put Tri-Key Research Institute [now "Baldwin Research Institute, Inc."], The Haganan Guest House and me, personally, out of business. The exact same technique, including the people involved, the organizations involved and the defamatory rhetoric, that had been so effective in shutting down the Montgomery County market surfaced in both Franklin County and Essex County.

The conspiracy included at least three major conspirators: Alcoholics Anonymous, New York State Office of Alcoholism and Substance Abuse Services and Mercy Care, a corporation owned by the Roman Catholic Church that owns and manages hospitals and drug and alcohol rehabilitation programs.

During 1993 we did not relinquish the Montgomery County market passively. We pressed for St. Mary's Rehabilitation and Treatment Program to stop their defamatory

statements against our companies as hard as we could, short of legal action. In August 1993 I wrote Mr. Peter Capobianco, Administrator of St. Mary's Hospital (See Folder #1).

Predictably, Peter Capobianco did not respond to our demands and the defamation continued.

In February 1996 Dr. Lawrence Duda was warned by staff members of St. Mary's Rehabilitation and Treatment Program that he should not return to The Hagaman Guest House after his discharge from the hospital because The Hagaman Guest House is an "unlicensed facility." In and of itself, the statement "not a licensed facility" is not defaming. It becomes defaming in the presence of two conditions: guest houses are not required to be licensed by the State of New York and the staff of St. Mary's Rehabilitation and Treatment Program has known for years that The Hagaman Guest House Program was not required to have a license. Thus, saying that "The Hagaman Guest House is not a licensed facility" is to imply that The Hagaman Guest House is required to have a license.

By St. Mary's Rehabilitation and Treatment Program telling its patients that The Hagaman Guest House is not a licensed facility, St. Mary's Rehabilitation and Treatment Program is implying that the guest house is operating illegally or dishonestly or is not of the quality to be able to obtain a license; none of which is true. Furthermore, the fact that St. Mary's Rehabilitation and Treatment Program knows that The Hagaman Guest House does not need a license is a conscience effort on St. Mary's Rehabilitation and Treatment Program to discredit and defame The Hagaman Guest House.

On September 23, 1997 Mr. Dan Carter reported that he is sponsoring an individual who is a patient at St. Mary's Rehabilitation and Treatment Program. This patient was warned by his St. Mary's Rehabilitation and Treatment Program counselor that he should stay away from those people up in Hagaman. He was warned that it was not "safe" to be with them [meaning Old Fashioned AA and The Hagaman Guest House].

Even though we suggested in 1993 that we may take legal action against St. Mary's Rehabilitation and Treatment Program if they did not stop defaming our companies, we opted not to. At the time we were working on two new projects in Essex and Franklin Counties. We were concerned that if we were to take legal action against St. Mary's Rehabilitation and Treatment Program, publicity from such an action may damage our efforts in Essex and Franklin Counties. Losses in the Montgomery and Fulton Counties markets paralleled those in Essex and Franklin Counties estimated at more than \$1,000,000 during a ten year period from 1992 through 2001.

As previously set forth, throughout the entire seven years from 1990 to 1997 members of Alcoholics Anonymous have conducted a campaign of defamation against our groups, its members and me personally. Some of the earliest defamation was heard from a fellow by the name of **Angelo Napolitano** sometime during 1990. At that

time **Napolitano** was the District Committee Member of Hudson-Mohawk-Berkshire Area of Alcoholics Anonymous and the head of District 5 of Alcoholics Anonymous. **Napolitano** said that our groups are white supremacists, that we were a "cult." Later he is quoted as saying that we are homosexuals and that our meetings are gay meetings set up to attract young boys. In 1991 **Napolitano**, and two other AA fellows came to our meeting in Ballston Lake, commandeered the meeting, threatened our members, and told the members that the meeting must be disbanded because it was not an Alcoholics Anonymous meeting. **Napolitano** continued to defame us throughout the years. We adopted, for the most part, a policy of ignoring the defamation and going about our business.

This particular harassment by Alcoholics Anonymous was more of a bother than real trouble. By late 1993 and continuing through until the present, however, the defamation was far more damaging as was experienced in Lake Placid. Alcoholics Anonymous, lead by one of its members, Phil Thayer, not only destroyed our ability to conduct business in that community, he and local Alcoholics Anonymous members actively and knowingly destroyed the Young People's Old Fashioned Meeting through disseminating defamatory claims that the meeting was a "cult."

The reports of defamation continued for the next several month. We did our best to ignore it. However, early in 1995 District 5 voted to have our group "kicked out" of Alcoholics Anonymous. The report in The Old News of March 1995 describes what happened under the headline "H.M.B. Area's District 5 Changes Requirements for Membership.":

The Old Fashioned Group got a call from the area records keeper. The records keeper was calling to confirm that the Old Fashioned Group had disbanded and should be dropped from the Area's and World Service's rosters. Our fellow from the Old Fashioned Group asked how such a rumor got started? The area records keeper said that he had been notified that the Old Fashioned Group was no longer in existence by Joe [bracketed not in article - full name is "Joseph Spears."], the District 5 records keeper.

The area records keeper asked Joe, "They appear to still be active in another district; are you certain they have disbanded?"

Joe answered, "Well, yes and no."

The area records keeper said, "Joe, it's not a tough question, is it or isn't it disbanded."

Joe said, "I really don't know, but we had a vote at the last district meeting, and the District 5 GSR's voted that the Old Fashioned Group was disbanded and that you should drop them from the meeting book. I have to do whatever the district votes to do."

The Old Fashioned Group continues to be entertained by the antics of District 5. Because of District 5's vote by GSR's, the Old Fashioned Group's meeting in Ballston Lake, New York was dropped from this year's meeting book. This sort of thing has been going on for several years now. Two years ago we sent an envoy with an olive branch to the District 5 meeting. The GSR's of District 5 were enraged that our GSR and Alternate GSR would come to

a district meeting. District 5 demanded that our two representatives leave at once and never come back. In the midst of the ensuing bedlam and shouting at our representatives, it became clear that the problem was that the Old Fashioned Group did not give money to District 5. Therefore, the Old Fashioned Group was not an AA Group and certainly was not part of District 5. At our next group meeting we decided that we finally understood the requirements for membership in District 5 - "a desire to stop drinking and donate to district coffers."

Now we know that this assessment made two years ago was, in fact, wrong. The real requirements for AA membership in H.M.B. Area's District 5 is: "to donate to the district coffers and win favor of the GSR's that run the district." Wait a minute, that doesn't sound like AA. ©

In spite of H.M.B. Area District 5's efforts to have our meetings kicked out of Alcoholics Anonymous, at this particular time, we were not. For the following several months we kept a low profile with respect to our marketing. The defamation continued, but at a reduced level until the fall of 1996.

We would hear from time to time about an Alcoholics Anonymous meeting talking about us and me, personally. For example, in May 1996 **Tom Lansing** was attending an AA meeting in Schenectady where the AA members discussed Jerry Brown being a cult leader of The Hagaman Guest House and the need to have the Old Fashioned Group removed from Alcoholics Anonymous. A few months later we heard from **Joe Fuller** that he was attending an AA meeting in Schoharie County where the AA members discussed Jerry Brown being a cult leader of The Hagaman Guest House and the need to have the Old Fashioned Group removed from Alcoholics Anonymous.

We don't know what brought on the avalanche of defamatory remarks from Alcoholics Anonymous and the stepped up activities to have our group, its members, and me, personally, ejected from Alcoholics Anonymous. There may have been one or several things that got it started again, but whatever the reason, the calm for the preceding months erupted into a tempest of defamation. Accompanying the defamation was a call for our groups and our members, and me, personally, to be ejected from Alcoholics Anonymous.

For example, **Doug Lavergne** was attending an AA meeting in Saratoga County where the AA members discussed Jerry Brown being a cult leader of The Hagaman Guest House and the need to have the Old Fashioned Group removed from Alcoholics Anonymous.

Doug says he was at a Monday Night Malta Meeting of Alcoholics Anonymous on September 16, 1996 which is held weekly in a church located on Dunning Road in the Town of Malta.

According to Doug there was a business meeting called to order separately from the regular weekly meeting and attended by approximately 10 members of Alcoholics Anonymous, among them were Messrs. **Doug Lavergne, Henry Young, Joseph Spears and Tish Brownell**. Mr. Brownell, at that time, held the title of District Committee Member (hereinafter "DCM") of District 5 of the Hudson Mohawk Berkshire

Area of Alcoholics Anonymous. As DCM, Mr. Brownell was the highest ranking officer in District 5 and represents his constituency at the Hudson Mohawk Berkshire Area of Alcoholics Anonymous.

According to Doug the Monday Night Malta Meeting of Alcoholics Anonymous' September 16th business meeting was held for the purpose of dealing with the problem of too many members of Alcoholics Anonymous coming to the Monday Night Malta Meeting of Alcoholics Anonymous and discussing topics that sounded similar to information presented at The Hagaman Guest House, Old Fashioned Alcoholics Anonymous and by Jerry Brown.

Further and according to Doug, Mr. Tish Brownell presented the following information that:

(1) There has been a six year long investigation of The Hagaman Guest House and Jerry Brown by the FBI.

(2) He, personally, [meaning "Mr. Brownell"] has been working with the FBI in connection with the FBI's investigation of The Hagaman Guest House and Jerry Brown.

(3) There is a list of missing children who were last seen in the presence of Jerry Brown and/or at The Hagaman Guest House, and further alleges that this list is part of the FBI investigation.

(4) And, recently, Mr. Rick Adair, a member of The Hagaman Guest House, took a youngster to a Phish Concert in Plattsburgh, NY, where under the care of or by the hand of The Hagaman Guest House personnel the child was killed. (Mr. Adair worked at The Hagaman Guest House during 1995 as a volunteer and occasionally attends the Monday Night Malta Meeting of Alcoholics Anonymous. He was in attendance the night of September 16th, but before the business meeting was held Mr. Adair was ejected from the regular Alcoholics Anonymous Meeting by Mr. Brownell and others.)

Mr. Rick Adair was also in attendance the night of September 16th. At my request Rick wrote us a letter on 2 December 1996 describing the events of the evening of September 16th:

On September 16th, 1996, between 7:30pm and 8:30pm I attended a meeting of Alcoholics Anonymous in Malta, New York on Dunning Street. At the beginning of the meeting, the chairperson (Henry) [bracketed not part of the letter - meaning "Mr. Henry Young"] read a memo from District 5 that stated, in part, that all members of Old Fashioned AA would be asked to leave the meeting. Near the end of the meeting, I volunteered that, even though I hadn't been active in Old Fashioned AA for months, I had, in fact, been a member during 1995 and 1996. When I finished speaking Henry asked me to leave the meeting, which I did immediately.

I waited outside during the business meeting that took place at approximately 8:35pm that same evening. To the best of my recollection, somewhere between 8:50 and 9:05 I went into the

business meeting for about three or four minutes to say that I wasn't offended and that I hoped this controversy wouldn't detract from the purpose of the meeting.

Some time around the middle of November, 1996, I was at an AA meeting in Niskayuna, New York... The Friday night "Big Book" meeting between 8:00pm and 9:00pm. After the meeting Doug Lavern told me that my name had been mentioned by "Tisch" (sp?), (the DCM for district five) at the business meeting on September 16th. He said that Tisch stated that I was on a list of people being investigated by the FBI in connection with the death of a teenager who attended a "Phish" (sp?) concert in Plattsburgh, New York. Even though I had never been in Plattsburgh and had absolutely no idea what this was about, I was frightened... to say the least. Even though I was fairly certain that there was no truth to what he had said, I was very upset knowing that rumors in AA tend to spread like wild fires. If I hadn't had a strong foundation of sobriety at the time (ten and a half years sober), there is little doubt in my mind that this incident could have resulted in my relapse... which, for an alcoholic, can be synonymous with death.

In September 1996 around the time of this incident, I was sponsoring seven people in AA; since the incident occurred, only one of them has called me on a regular basis. It is possible that this indiscretion has not only defamed me, it has also possibly hurt unsuspecting newcomers to AA whose only desire was to get sober... not to be enmeshed in controversy.

Sincerely,

T. Richard Adair

Mr. Christopher Ringwald's (a member of Alcoholics Anonymous) story in the Times Union may have been responsible for Alcoholics Anonymous's renewed interest in its defamation campaign against our businesses. During 1995 and through the early part on 1996 we had repeatedly asked several area newspapers to write a story about the success of our program and the people who found a new way of life free of drugs and alcohol. Two stories were published during 1995: The Daily Gazette and The Recorder. Both were very favorable. In fact we received many referrals from The Daily Gazzette article.

Early in 1996 a writer for The Times Union, Chris Ringwald, began talking to us about doing a story. During May and June he visited The Guest House and interviewed staff members and guests and took pictures. The story was finally published early in August. At the time that we were talking with Chris Ringwald, we did not know that he was a member of Alcoholics Anonymous.

During this time and just before Chris Ringwald's visits to the guest house, business was good. During the time of Chris Ringwald's visits there were a good number of guests at the guest house going through the program. After the fact, when we found out that Chris Ringwald was a member of Alcoholics Anonymous, it occurred to us that Chris Ringwald may have discussed his visits to the guest house with his colleagues in Alcoholics Anonymous. Such discussions may have caused those that were trying to put us out of business to become concerned that we may survive. Hence, an immediate and brutal attack was launched directly by Alcoholics Anonymous

rather than from other organizations such as OASAS and Mercy Care Hospitals which were used in earlier attacks.

The attack was widespread. **Mr. Bob MacAlister**, a benefactor of Baldwin Research Institute reported that early in the month of November 1996 he was speaking with a friend of his who is a professor at Hudson Valley Community College. His friend told him about young people disappearing after going to a place in Hagsman for drug problems. Mr. MacAlister went on to explain, so far as he knew, his friend was not involved in any way with Alcoholics Anonymous. Thus, the defamation that was specific to Alcoholics Anonymous was now present in the general public.

The defamation had also permeated the rehabilitation community. Consider the following. At the request of a friend of **Mr. Dick Crowley** a couple of Old Fashioned AA members, **Mr. Charles Weatherwax** and **Mr. James Oppy**, visited **Mr. Crowley** who at the time was going through St. Peter's Addiction Recovery Center detoxification program. During the visit Mr. Crowley said he had an interest in coming to the program at The Hagsman Guest House. A few days later Mr. Weatherwax, again went to visit Mr. Crowley at St. Peter's, but Mr. Crowley had all ready been discharged.

Several days went by during which time Mr. Crowley relapsed. Mr. Crowley called Mr. Weatherwax on Thursday, November 21, 1996 and told Mr. Weatherwax that he [Mr. Crowley] wanted to come to the guest house. Mr. Weatherwax and another member of Old Fashioned AA met with Mr. Crowley, and in conversation Mr. Crowley asked how many children were at the guest house and about the FBI investigation. Mr. Weatherwax explained that there were four teenagers at the house and that there was no FBI investigation. Mr. Crowley then came to the house at about 3:30PM on Thursday.

Shortly after Mr. Crowley's arrival we began receiving telephone calls from Mr. Crowley's estranged wife. Her telephone conversations were panicky and angry. At the very least her conversation was bizarre and each time she called, she demanded that we let her husband leave. Each time we told her that Mr. Crowley could leave anytime he wanted to but only at his request. We further explained that we would take him back home or any place else he may want to go in the Capital District.

At about 9:30PM Mr. Crowley's estranged wife, his daughter, and two unidentified men came to the guest house for Mr. Crowley. Mr. Weatherwax provided Mr. Crowley and his visitors a private room in which they could talk. After about one half hour they emerged and announced that Mr. Crowley would be leaving with them. They all left the guest house at about 10:00PM. Just before departing and without his visitors hearing, Mr. Crowley indicated to Mr. Weatherwax that he would be back.

It was suspected that the two individuals who accompanied Mr. Crowley's estranged wife and daughter were from Alcoholics Anonymous in Albany which later proved to be true. One of the two unknown men turned out to be Mr. Crowley's sponsor in Alcoholics Anonymous. Because their conversation at the guest house was private, we do not know the content of the conversation. But, based on Mr. Crowley's

earlier questions about teenagers and FBI investigations, it seems certain that some of these items were discussed to convince Mr. Crowley to leave.

Later we found out Mr. Crowley's source of the missing children and FBI investigation allegations. According to Mr. Crowley he and his family were advised of the "disappearance of children at the guest house" and the "FBI investigation" by a St. Peter's Addiction Recovery Center counselor. It is believed that Mr. Crowley's counselor is a member of Alcoholics Anonymous or is in some way affiliated with Alcoholics Anonymous. The identity of the counselor that advised Mr. Crowley about the FBI investigation, the disappearance of children at the guest house, and to not go to the guest house must be a matter of record at St. Peter's Addiction Recovery Center.

But the most devastating defamation emanated directly out of Alcoholics Anonymous. In the September 1996 issue of the HMB Area Newsletter, the entire back page was devoted to defaming our groups. Under the headline, "URGENT UPDATE FROM YOUR HMB DELEGATE" the article said:

In support of the three resolutions as submitted (8/13/96) by your delegate and because of only a part of the anti AA information as contained in "The Old News" issue of June 1996, issue, 96.07, your delegate does hereby request that the following groups/meetings (and any other associated meetings) should immediately be dropped from any and all

local/district/area/GSO etc. group/meeting listings or schedules. those meetings are the

Sunday Hagaman Guest House (8:00PM) meeting--9 Church St. Hagaman N.Y.

Thursday 8:00PM-Frieden's United Church of Christ, Corner of Clinton & Franklin (across from City Hall) Schenectady N.Y.

Tuesday 8:00PM Our Lady of Grace Church, 73 Midline Road Route 146 A, Ballston Lake, N.Y.

Friday 8:00PM, State Street Presbyterian Church, Corner of State and Catherine, Schenectady N.Y.

Wednesday 8:00PM, Christ Episcopal Church, 970 State St. Schenectady NY

Saturday 8:30PM, Trinity Lutheran Church, 40 Guy Park Avenue, Amsterdam, NY.

Furthermore your delegate will request from GSO, that the use of (if protected by copyright or trademark) AA or Alcoholics Anonymous by said groups/ meetings, should not be allowed in any publication what-so-ever. Even tho a disclaimer of any possible violation of copyright/trademark protection was printed in March 1995, vol. 95.01 of the old news, your delegate did decide not to copy for distribution the June 1996 issue, but I will at the present time, retain the copy that I have received for verification of the following as printed (in June 1996) in their article, "There is a Requirement for Membership", To Quote,

"To be a member of Old Fashioned AA You must go to the Hagaman Guest House and complete the Baldwin Program (a two week study of the first 164 pages of the Big Book). This of course does not mean that a newcomer can not attend our meetings. Anyone can, you just will not be a member." Also in this article, to quote, "There is only one Old Fashioned Alcoholics Anonymous. It has a requirement for membership. It has the highest success rate to help alcoholics that we know of. It is in no way a part of Alcoholics Anonymous or modern AA."

Note; since this article does state that Old Fashioned Alcoholics Anonymous groups/meetings

are not a part of Alcoholics Anonymous, or modern AA, we should have no problem with dropping of said meetings from any and all AA listings or meeting schedules

NOTE' If the GSO office does request the copies of said newsletter, that I have, then they will be sent to their office with a request that (if possible) said copies be returned to me.

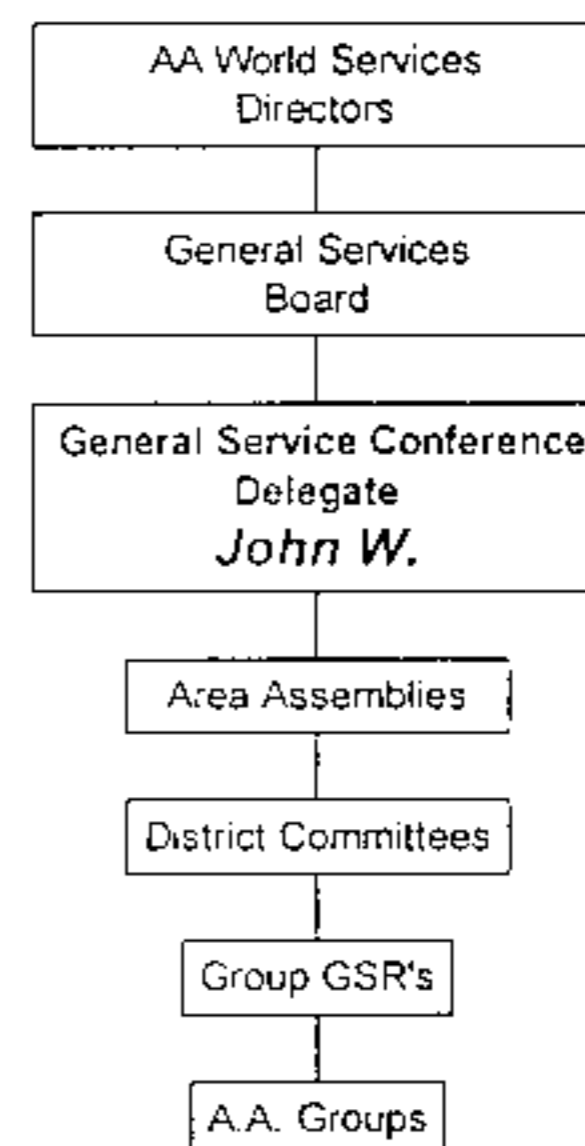
PS From another article in this June issue, "12 Traditions? What For? to quote "As for the useless organizations of district and area, it is wrong to suggest that these self-centered, self-serving nitwits do anything".

For myself. First off I altho perhaps not a supremely intelligent as the aforementioned writers, I strongly object to being considered a nitwit (as should we all) and thru the use of AA meetings, Steps, Traditions, books, literature etc. (and because of the grace and caring of my higher power, a GOD of my understanding) my time away from a drink is of a longer duration then of the Old Fashioned AA groups/meetings and perhaps most of their members, and an organization/groups/meetings who knock/decry the Traditions, GSO etc., will surely attempt once again to use said traditions/ GSO etc. to protect their right to be wrong.

From your delegate John W.

It is important to first understand that John W. is not just a member of Alcoholics Anonymous; he is an elected officer and represents over 11,000 members of Alcoholics Anonymous to the General Services Conference. The General Service Conference is the policy setting organization for Alcoholics Anonymous. As a delegate to the General Service Conference John W. is the voice of the conference to his 11,000 constituents. Thus, his "URGENT UPDATE FROM YOUR HMB DELEGATE" is an "official" position of the corporation. John's "URGENT UPDATE FROM YOUR HMB DELEGATE" would have the reader believe that the information that is to follow is of extreme importance. Therefore it is clear that this had to do with Alcoholics Anonymous's defamatory attack on our businesses.

Alcoholics Anonymous Organization



This scenario is further supported upon close examination of John's defamatory complaints published in the September issue of the HMB Newsletter and his intended actions reported therein. He states that he, personally, submitted 3 resolutions on August 13, 1996 to "request that the following group/meetings (and any other associated meetings) should immediately be dropped from any and all local/district/area/GSO etc. group/meeting listings or schedules." Following this statement John W. lists the meeting by day, name, time and location.

The vote that was reported to have been a "unanimous vote to remove the old fashioned groups from the HMB Area Meeting Schedule and records at the upcoming October Assembly." raises the question as to what possible motive could this legislative body of Alcoholics Anonymous have for voting to have the old fashioned groups removed from the HMB Area Meeting Schedule and records when, in fact, the