



**NARCONON**  
INTERNATIONAL

June 6, 2008

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Mr. Per Wickstrom  
6721 NW Torch Lake Road  
Kewadin, MI 49648

Ms. Kathleen Wickstrom  
11333 N Bluff Road  
Traverse City, MI 49686

Board of Directors  
Narconon Stone Hawk Rehabilitation Center, Inc.  
216 St. Mary's Lake Road  
Battle Creek, MI 49017

Re: License Agreement Violations: Termination of License

Dear Mr. Wickstrom, Ms. Wickstrom, and Board of Directors,  
Narconon Stonehawk Rehabilitation Center:

Please be informed that we are terminating the Narconon License Agreements issued on October 10, 2001 to Per Wickstrom, Kathleen Wickstrom, and Narconon Stonehawk Rehabilitation Center for operation of a Narconon Center under the Narconon trademarks and service marks ("Marks"). We note that there are two different versions of the license issued on this date, and this cancellation is effective as to both versions.

Narconon International is entrusted with the duty of licensing qualified entities throughout the world to use the Narconon Marks. These Marks represent to the public that when they see the Marks they can be sure that the organization displaying them is utilizing the drug rehabilitation technology developed by L. Ron Hubbard in a standard and ethical fashion. In addition to licensing the Marks, Narconon International has a duty to protect those Marks from improper and unauthorized usage. That is why Narconon International imposes very strict standards on people and organizations which have been allowed to use the Marks. Those standards are set forth in the Narconon Basic Staff Hat, Running an Effective Narconon Center, and the various

**DRUG PREVENTION AND REHABILITATION SERVICES**

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*NARCONON is a nonprofit public benefit corporation*

Executive Directives issued by Narconon International and its Licensor Association for Better Living and Education International ("ABLE").

As you are aware, we recently conducted an inspection of Narconon Stone Hawk's finances pursuant to paragraph 4.c of the License Agreement (both versions). The results of that inspection have caused us great concern, and we are therefore issuing this termination notice.

We are terminating the license pursuant to paragraph 9.d. of the License Agreement in light of the financial condition of Narconon Stone Hawk resulting from its control by Per Wickstrom and Kathleen Wickstrom. Mr. Wickstrom and Ms. Wickstrom, along with other members of their families, have been the sole officers and directors of the corporation up until the resignation of Kathleen Wickstrom and her parents from the Board of Directors, and her resignation as an officer and Executive Director in January 2008. Both Mr. Wickstrom and Ms. Wickstrom have engaged in actions that have resulted in severe insolvency of the center; unpaid license fees to Narconon International in excess of \$300,000.00 to date; and due to the fact that the corporation is controlled, directly and/or indirectly, by Mr. Wickstrom and Ms. Wickstrom, as the owners (or former owner) of Tia Corporation, the landlord of Narconon Stone Hawk, resulting in a situation of self-dealing - all of which compromise the charitable and equitable purposes of Narconon and its Licensor, ABLE.

The aforementioned paragraph 9.d. of the Narconon License Agreement states that:

This agreement shall terminate immediately if CENTER becomes bankrupt or insolvent or is liquidated or dissolved, or becomes controlled, directly or indirectly, by any individual or entity, which in the judgment of NARCONON INT or ABLE, is likely to compromise the charitable and equitable purposes of ABLE or the technical

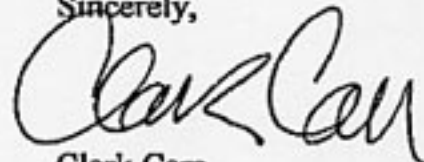
and ethical standards established by  
ABLE for use of the Marks.

We are making arrangements so that the students being serviced by Narconon Stone Hawk will continue to be serviced and be able to complete their programs. To that end, while we continue our inspection and investigation of Narconon Stone Hawk, we are prepared to issue the corporation a temporary license, in order that there will be continuity and the students on the program are not placed in jeopardy of being unable to complete their drug rehabilitation under the Narconon program. In order that this be done, we need to be provided with evidence that:

- Neither Mr. Wickstrom nor Ms. Wickstrom nor any family member of either is on the Board of Directors or an officer or executive of the corporation, Narconon Stone Hawk, nor in a position to control any finances of the corporation; and
- A Board of Directors has been appointed consisting of persons who are unrelated to each other and do not have any financial interest in the corporation by way of owning property that is leased to the corporation or otherwise.

Upon receiving that evidence, a temporary license will be issued to Narconon Stone Hawk.

Sincerely,



Clark Carr  
President  
Narconon International