



# RESELLER INFORMATION KIT

---

## TESTIMONIALS, BACKGROUND, & AUTHOR INTERVIEW

### **CONTACT:**

Ron Brown Grayson  
c/o The Source Legacy Foundation  
P.O. Box 15126  
Rio Rancho, NM 87174-0126  
(505) 792-3351 or (505) 891-7699  
Email: [SourceLegacy@aol.com](mailto:SourceLegacy@aol.com)  
[www.SourceLegacy.com](http://www.SourceLegacy.com)

## **“THE SOURCE LEGACY WORKBOOK”**

---

*NOTE: All testimonials that follow are from unsolicited letters and correspondence sent to Source Legacy.*

### **TESTIMONIALS for “THE SOURCE LEGACY WORKBOOK”**

- “I’m only on Chapter Two right now and it’s blowing my mind!” – **K. K., Client**
- “I have never been so turned on by a writing. I am left with the deepest feeling of thanks and fulfillment. THANK YOU! I cannot find the words...” – **T.R., Student**
- “Gratitude for the creation of the Workbook, its truth, and all the hearts who brought it into fruition.” – **B.M., Workbook Owner**
- “I am the owner of ‘The Source Legacy Workbook’...What a Thanksgiving gift...It’s like finding something better than gold. All this information...helps me want to continue on my own journey of enlightenment one day at a time.” – **J.H.M., Workbook Owner**
- “You parented a beautiful thing, with a life of its own, I’ll tell you. I carry the Workbook with me always in my briefcase or suitcase when I go to the office and when I go to my clients’ homes. When I asked [my husband] if he thought I was weird for doing that, he just shook his head and said ‘It’s like your Bible. People walk around with their Bibles all the time. Not so weird.’ Ya gotta love him. Thank you for such a brilliant teaching.” – **M.P., Workbook Owner**
- “Thank you, again, for the magnificent work in your book and in the classroom.” – **L.L., Student**
- “I am reading your book and I have been reading it to my husband and my friend, who is a very dear spirit – he LOVED it. The Jesus story is fascinating.” – **E.B.Z., Workbook Owner**



---

## RESELLER KIT

## **TESTIMONIALS for THE SOURCE LEGACY PRACTICUM**

- “I remain convinced to this day that the work we did together was one of the main factors that saved me – both the surgeon and the oncologist who treated me could not explain the disappearance of the infiltrations of the cancer...they still say it was a miracle.” – **L. F., Client**
- “I just wanted to say last night was AWESOME – what a release! After I got home...I could breathe again for the first time in about 18 years...then I had a release of emotions and I started sobbing for over an hour. After that, I felt so good and peaceful...Thank You!!! Just had to let you know.” – **N.B., Client**
- “I am feeling great! There was an immediate change after the session with you and I feel it still. I am vibrant with lots of energy. My friend who saw me [the next day] said she noticed that I looked different, more vital and radiant. I don't know if I'm supposed to thank you or the Universe but I am very grateful for whatever happened...” – **A.M., Client**
- “Let me take this opportunity to thank you from the bottom of my heart for helping me. I sometimes get impatient with my progress but, when I remember the situation (a mere) 6 months ago, I know I am moving in a more positive direction. It feels as if you are very carefully (and with grace and kindness) helping put Humpty Dumpty back together again. It's quite a project and I am most grateful for your time, patience, skill and assistance. Thank you again... for so many things I don't even know how to define.” – **N.P., Client**
- “After our last session I felt so many transformations going on. I felt a heavy weight lift from my shoulders. Lighter. More connected. It's like seeing this reality with different lenses...and, trust me, this has *not* been usual for me. Now, at times during the day, I have to stop doing what I'm doing because this immense feeling of love and joy becomes so intense that it takes over anything else...and the only thing that exists for me is immense love and joy. The words "love" and "joy" are the closest meanings to express these experiences.” – **R.R., Client**
- “Thanks again for a great session!! I am beginning to see more and more clearly the place I am in and how it looks and feels to be powerful in the new way we've talked about. It is finally manifesting.” – **L.L., Client**
- “Again, your warmth, kindness, and sincerity shined through like the sun last night. I needed those rays. A little secret? Don't be surprised if, at the appointed time, I request to be an active part of your foundation.” – **M.B., Client**
- “When I was diagnosed with prostate cancer (Level 6), I decided to schedule a session...Upon completion of the two-hour session, [my facilitator] pronounced my cancer gone and recommended I obtain a confirming biopsy. The previous [biopsy] was positive in three of the six sites sampled. I had one more biopsy and this time there were no positive sites.” – **J.K.D., Client**
- “I can't thank you enough - for everything: your expertise, your patience, your understanding, your compassion, your time...just to name a few! Also, for liberating me again, this time from a harmful habit...I am profoundly grateful!” – **S.L., Client**
- “I like the way you work. You are a phenomenal facilitator and I like your spirit. The session was purifying and deeply gratifying, and I am feeling like a new person today. I am happy to have met you and, again, I thank you deeply. You are a badass!” – **C.B., Client**
- “Thank You...Thank You. I've been doing the procedures...and will keep doing them. Went for the mammogram and ultra-sound and they could not find the lump or anything...they questioned 'Where is it supposed to be?' They found nothing. You are wonderful.” – **J.S., Client**

- “I feel very grateful for the work we did together. You gave me so much support, healing and insight. Thank you!” – **A.T., Client**
- “I wanted to say thank you. I’m thinking a lot about what you said and I feel much better. Sometimes now I have these visions that I’m organizing huge gatherings of people everywhere to meditate and elevate ourselves to create a positive universal shift. NO MORE FEAR. Thank you.” – **E.B., Client**
- “You helped me tremendously with the problem I was having. Thank you, again. It has made a big difference in my life.” – **S.D., Client**
- “The color therapy you did on me last time was so profound. I’m still feeling its effects and trying to incorporate its lessons.” – **K.K., Client**
- “Just wanted to say thanks, very much, for all the work – it was truly enlightening! As I’ve gone over in my head the things we discussed, it seemed like so many things in my life started to make more sense. The one thought that keeps popping into my head is that...I’m now ‘whole’ again. When I started thinking about all the things...that were ‘disconnected’ in me, it was amazing...and it started to explain why so many things have happened in my life. I feel like I’ve been more grounded and calm about potentially tense situations (that’s a good thing!). Again, I can’t thank you enough...I learned a lot about me and life in general.” – **J.O., Client**
- “The processes are working! I feel more centered in my being than I can ever recall feeling before. I am making choices that have always seemed to elude me. I find myself with the discipline and belief that I can do things that I had not believed I could do. I even find myself locating just the right reading material to help on this path. I have started meditating on a daily basis which is practically a miracle to me as I have tried for so many years and was too distracted to allow myself to do it. Also, I am in a regular exercise routine. Again I seem to have this new centeredness, determination and discipline. [And so] I wanted to let you know how very grateful I am for the processes. There aren’t words really to indicate my appreciation. I send my sincerest thanks and blessings.” – **F.R., Client**
- “I want to thank you again. I think I was about at the end of my ability to cope. I slept last night like I have never slept before and didn’t awaken exhausted as I usually do. Even sleep is new! Life feels so much lighter today.” – **M.P., Client**
- “I call you not only because I trust you, but also because I know you are speaking truth...and that is most important for all levels of me to hear.” – **L.L., Client**
- “I am such a lucky person. I feel much better today. I know who I am and it feels GREAT!!! How can I ever thank you? I think I’ll keep on saying it forever. Thank you is just a small word that doesn’t describe the appreciation that I have in my heart for what you do.” – **E.B.Z., Client**
- “I want to *thank you!* I’m beginning to get what you were teaching me. THANK YOU! I can see what I do now and how it drains my very soul...I am more stable, clear, and I am no longer distracted with the chaos. You’re right – no one *will* be able to take anything from me without my permission anymore. I am beginning to trust *myself*. I am so grateful.” – **N.P.O., Client**

## **TESTIMONIALS for THE SCHOOL OF UNIVERSAL RESONANCE & CREATIVE EMPOWERMENT**

- “Thank you for giving me the tools to heal. I have been waiting to write to you because each day my life becomes better and better. The bottom line is that I feel sooo absolutely wonderful – I can’t compare it to any other part of my life. All I can do to repay you for all you have brought into my life is to say ‘Thank You!’ from the bottom of my heart.” – **T.H., Student**

---

# **RESELLER KIT**

- “I just wanted you to know how much [our class] touched my heart. It made me cry because I felt the warmth and love from your words. Thank you from the bottom of my heart for...such grace and gentleness.” – **J.E., Student**
- “I have achieved everything you promised in the overview of the classes and much more. Thank You! No one will ever tell me Source Legacy doesn’t work!!!” – **N.B., Student**
- “You and I have worked diligently to provide ME with tools to handle it all! I am in JOY!” – **L.L., Student**
- “If your ears are burning it’s because whenever I get the chance, I *do* rave about you and how much you’ve helped me in the different areas of my life. You truly have helped me in so many ways! I do feel more connected to all the wonderful beings who are constantly helping me and I feel more connected to Source’s [e.g., God’s] energy.” – **H.F., Student**
- “Jeepers what a wild ride. I thought of emailing you a dozen times to say “What the hell?! Didn’t it work? Did I not allow it – what?” But I refrained from exposing my big baby-ness. And then one day last week I suddenly realized that my book was actually complete and whole! What an amazing thing! It was already complete even though I still need to tie up the loose ends. And out of that [came] so many new revealings of wholeness. So I am hugely, hugely thankful to you and all your sweetness. You are a genius and a saint and I send you love.” – **P.T., Student**
- “The classes changed my life in a profound way in a very short period of time. I experienced deep healing and learned about what I am here to do.” – **D.B., Student**
- “That was one incredible process given tonight. Thank you for your wonderful love and tenacious light. You have the ability to put the most difficult information in such a way that I can absorb it and take it in. I know you speak the truth, and I hear it. The message sank in like a good liniment.” – **R.S., Student**
- “Thank you so much for our [class] last night. It was profound and reached me in ways I have not been reached before. I am blessed. Thank you for being willing to be human, for your beautiful ability to reflect and care about others. It helps me to accept my own humanness. As we accept ourselves we can move forward. As simple as it all really is sometimes, it’s the way it is presented that makes the difference for confusion or understanding! You’re over the top! Thank you, from the bottom of my heart.” – **F.S.R., Student**

# **RADIO INTERVIEW**

## **“Spirituality A.M.”**

**Interview  
with author Ron Brown Grayson**

**What makes “*The Source Legacy Workbook*” different from the hundreds of other spiritual, metaphysical books on the market?**

I can only answer this based on the feedback we receive – which is that this book is result-driven and it *works*. This, of course, was our intent. Ultimately, I think only the reader can answer this question. My personal feeling, though, is that it’s a very practical compendium of techniques and processes that

---

# **RESELLER KIT**

anyone can use to create healing in their lives. And I think that is very unique, actually – at least that’s been my experience as a consumer. Although I have a private practice, I believe my job is to empower my clients with the information necessary to make me obsolete. Otherwise, I end up creating myself to be a “guru” upon whom people are dependent, and that isn’t what Shelley and I are about *at all*, it isn’t what Source Legacy is about, and it certainly isn’t what Source [God] intended for this work. It’s totally about personal empowerment, in a very, very specific step-by-step fashion. I think that’s what differentiates it from the other books out there. The work stands on its own.

### **How did “The Source Legacy Workbook” come to be?**

This book was always intended to exist. Both Shelley and I knew (independently) at a very early age that we’d write this book at the appropriate time. Of course we had to allow life to bring us together, first. She and I first met in 1999, and we began writing in earnest in 2000, finally getting it ready for publication in 2001. We created the first version for about 100 healers around the world in early 2002, then produced a more polished and expanded version for another several hundred healers around the world in mid-2002. We began the self-publication process in September 2002 after a half-dozen publishers decided they didn’t know what to do with this material. And so it was finally ready to be put into book stores in April 2003.

I used to get *so* tired of books that told you *where* you were supposed to get to in life, but never told you how to get there. I always felt cheated, somehow. I swore that when I wrote my book, I’d share my process of *how* I was able to do for myself what I did. And so that’s what the Workbook does – it tells you *how* to create healing in a step-by-step fashion. It’s very thorough – a complete, comprehensive healing program with proven clinical results based on case studies over an extended period of years. I have the case studies to prove it; I have enough testimonials to create another whole book; there’s a vast body of individuals out there in the world who can testify to the veracity of this work. And so we structured the book based on the questions I wanted answered when I was looking so desperately for self-illumination earlier in my life. I asked myself: “If I could have every question I ever wanted answered given to me in one book, what would I ask?” And I came up with this: “I’d want to know how everything began, who we are and how we were created, what went wrong along the way and why, who we could call on to assist us in fixing this mess and, finally, *how* we could go about correcting it in a step-by-step process.” And that’s exactly how we structured the workbook. And this is only Volume One – there’s two more volumes to come.

### **What is the origin of this material?**

Interesting question. One of the publishers we initially approached asked us this question – which was a question I hadn’t even considered at the time, frankly. We really wanted all the attention on the work itself – which is why it’s called a “work” book, actually – because otherwise the focus becomes about the authors, and that isn’t the intent at all. That’s what happened with “*Conversations with God*” – it became about Neale’s ability to converse with God rather than what the content was actually saying. And so we really wanted to avoid that trap. But the industry itself seemed determined to pigeonhole us in this way. We were asked so often about this that we restructured the beginning of the book to sort of attempt to answer this question. Interestingly, the clients who come through the school rarely ask these questions. When you are in the presence of this work and actually begin to *do* it for yourself, I have found that people resonate with the fundamental truth involved and just *know*. Origin and authenticity aren’t even considerations then; you just *know* because you feel it. There are individual truths and there are Universal truths that resonate with all beings. People *feel* the authenticity of this work because they begin to feel authentic healing almost immediately, they feel the release and feel their load start to lighten, as it were. Of course every person differs, and healing is based on what any given individual is ready for at that time, but by-and-large this work is pretty practical and is immediately understandable in a tangible, visceral way. I think that’s why so many of the testimonies we receive talk about this book being a gift from God (or

Highest Divine Source) and the Greater Universe. Shelley and I certainly consider it to be a gift in our lives, no question.

### **Can you tell us a little bit about the book's narrative? What is its vantage point?**

Are you asking whose voice the narrative is in?

**Yes.**

Oh. Hmm. Good question. I've been waiting for someone to ask that. Obviously, in some way, the book is written in the voices of the authors – me and Shelley. That's unavoidable, because we constructed the words. But the narrative is actually God's voice, presented without any fanfare or apology. That's why it's called the SOURCE legacy workbook; it is the legacy of our *Source* – which is a name "God" finds to be more accurate for Himself/Herself, given that He/She is the *source* from which All was created and not a minor creator god. Anyway, it's written in direct form, precisely as we were guided to write it. Some parts are so directly written, in fact, that certain people have felt extremely challenged by it – which I never, ever anticipated. It's certainly not *my* experience with the book. I always just wanted to know the naked, blunt truth. So when Shelley and I started bringing this information to the printed page, I really felt people would appreciate its directness just as much as I did. Most people do, actually, but I've found that the people who take offense to the "Direct Voice" of the narrative are individuals who have trouble in their own lives with blame, or with owning their stuff. I've come to realize that this book is rather like a laser. Those who are ready for that kind of light concentration consider it a total revelation; those who are not ready experience it as something aggressively penetrating. And I guess both are true. This book is very, very interesting in this way. Let's just say this book creates change. No question. It cuts right to the heart of the matter and begins stripping away illusions without apology. And you have to be ready for that. Some people aren't.

I think because we didn't position this book like Neale did with "*Conversations with God*" (you know: "Shelley and I have channeled this information directly from God in direct conversation, and it's a course curriculum handed down to us by God" – which is true, actually), it has confused publishers. Confusion wasn't our intent, of course. As I said, we wanted the attention on the work, not on us. But publishers seemed incapable of seeing the work unless they saw us. Well, we tried to revise the book to facilitate this, but we decided to just go ahead and publish it our way and get on with it. We ran out of time to address this nonsense. We had an organization to run, and healers around the world waiting to get this information. We couldn't allow progress and healing to be stopped by a bunch of people in Manhattan offices who couldn't imagine which demographic to target.

The truth is this: "*The Source Legacy Workbook*" is a three-volume set that comes directly from God, and it is intended to be the third in a series of gifts given to humanity. That's the way Source described it to us when we were writing it. The first gift was "*A Course in Miracles*" that opened the door to something totally, radically "new"; the second gift was "*Conversations with God*", which brought in a whole new paradigm of personal re-connection with God; and the third gift is "*The Source Legacy Workbook*", which is a how-to book for navigating in this new reality being restored on the planet. It makes sense, actually, if you look at the three series as a whole – you see how they're related, and why they came in the order they did. What's interesting is that each in this series of three contains three essential volumes or parts. Some of the material in the Workbook hasn't been available on this planet in a quarter million years, because humanity hasn't been ready for it. And much of the material still to come in the next two volumes isn't even on the planet yet. So it will be interesting to see what those volumes hold. I don't even know yet what's to come in Volume Three (but Volume Two is already in progress).

**Is this a strictly Christian book?**

---

# **RESELLER KIT**

Page 6 of 13

Why, does it feel strictly Christian to you?

### **Not from what I've read, but you have dedicated a substantial portion to the life of Jesus. Doesn't that make it basically Christian?**

No. Just because I might write about Martin Luther King doesn't make me black. Listen, I've taken no small amount of criticism for including that story, let me tell you. And it's mostly been from healers who are mad at him, frankly (or who are mad at the Christian faith). There's an awful lot of angry Christians out there, I've discovered. And I've also discovered that Jesus is actually a pretty unpopular guy to be as famous as he is.

Listen, the Workbook talks about many, many individuals. It talks at length about specific Archangels, Ascended Masters, Kwan Yin, White Tara, Buddha, Gandhi, Mohammed, Highest God, the various aspects of God, etc. Jesus is just one among many who is discussed here. The inclusion is, perhaps, personal. Shelley and I discussed whether this information should be included, and we went back and forth on it. First we were going to include it, then we weren't. Then we decided to go ahead and keep it in. Finally, Shelley said that if it bothered people, they could just skip that chapter. And I agree.

This is part of what I personally had to do in this life, you see, to fulfill my journey. I was asked at a very, very early age by Jesus if I would help clear this story up for him. It just took me over 30 years to have the opportunity. But as we were preparing the book, I sat with Jesus in counsel for 48 hours straight over Christmas of 2000 and allowed him to show me this story from the Akashic records, and he narrated the story, giving whatever insight was necessary for me to understand. Considering he'd spent so much energy doing this, I felt it was an insult *not* to include it. More than that, though, the Christian faith is *huge* across the globe, and so much of the information that formed the Christian ideologies is based on misrepresentations, misunderstandings, and sometimes half-truths. I'm not slamming the Bible in any way here; I'm simply saying there's more to the story. Most spiritually educated people in the modern age realize this. Besides, the metaphysical history of the United States of America has specifically to do with the *real* Jesus and some of the work he did. And so I felt it was important to include that story in this book. Somewhere in our press materials the Workbook is described as having a uniquely American perspective on spiritual responsibility that places the United States at the very epicenter of the Spiritual Renaissance. And it's totally true. A lot depends on how responsible we are with that role as global citizens and neighbors.

Nevertheless, I have to say this: For every one person who is upset that I've included the Jesus story, there are twenty who are so full of grace for finally hearing the true story. It actually makes me weep to hear some of these people talk about what that story means to them. You see, people know in their hearts that the whole story isn't in the Bible, and many people are mad at Christianity for omitting the crucial parts. They're mad because the full *human* story hasn't been told. The Workbook tells the *human* story. Dan Brown hasn't even come close in his books to the whole human story.

### **Why did you choose to self-publish? And what exactly is print-on-demand?**

We published the way we did because we were on a deadline to get this material in print; I didn't have time to waste on publishers who didn't "get" this book. The industry, as you may know, can be extremely short-sighted; it's all about profits and marketing and demographics and bottom lines. And that's understandable. But this book is used as curriculum material for our school, and so we needed it in print by a certain date. We did approach a number of publishers, but they told us they didn't know what to do with this book. Lots of fantastic comments about its content – it even got Xeroxed and passed around privately among the staff in some of the publishers' offices, and I received wonderful emails from some of those individuals – but the folks in charge couldn't imagine who their

demographic would be; they said they didn't know who to target or how to market this book. I think it's hysterical that some of these people were using the book to heal their lives and couldn't figure out who the audience was. *Hello! It's YOU!*

Anyway, we just didn't have time for all that. We had a school to run, so we chose the most practical option. It's intended to create healing for those who seek it. Plain and simple. We figured it would end up in the hands of those who needed it somehow. And so far that has been the case. Mostly, it's ended up in the hands of professional healers who are looking for a more effective means of working with people without totally depleting their own personal resources. We're very specific about that at the school. And so is the Workbook. Still, however, I believe it *is* intended for a mass, mainstream audience. I think the fear of the industry sells the mainstream public short in terms of what they're actually ready for. The *public* is ready for this – crying out for it, in fact. But it's the publishers who are afraid. The industry is going to have to rethink its current approach to find the “new” audience that's out there if it's going to remain relevant.

As for print-on-demand, it's pretty simple, actually – it's exactly as it sounds. Our publisher, Xlibris, is an imprint of Random House, and this division provides alternative publishing means for authors whose books might not fall specifically within mainstream parameters – although I think this book could be a popular success if properly handled. We just haven't had the time to invest in fleshing this out, nor is it what Source Legacy does. But print-on-demand means that each book that is ordered – whether by individuals or by stores – is printed *to order*. We really loved this idea, to be honest, because each book is actually *created* for the person ordering it and, consequently, has its own life force. People have actually come to us saying the Workbook has its own vibration, pulse, and soul (which we consciously intended), but having the book printed expressly for the individual takes this to an even more personal and immediate level of aliveness. In this way, the Workbook lives because people want it in their lives. In a way, it's like creating a child, you know? I really, really love this reality for this particular book.

### **Why exactly do you call it a “workbook”?**

Because that's what it is – a “work” book. As I said, it's used as course material for our school, and students do their assignments *from* that book. There's forty-odd processes in the book, and it *is* work to do those processes. Listen, these processes have been tested in many hundreds of clinical trials in the hands of many different facilitators over an extended period of years, and the efficacy of this work has been proven over and over again. We've had time to observe the results. People actually *heal* from this work. They heal diseases, they heal psychological and emotional conditions. It's incredibly far-reaching what is accomplished with this work. The success rate among our students and clients who come through the Source Legacy facility is extremely high. You should take a look at some of the testimonials we get. It's really inspiring, and very, very gratifying to see people actually heal their lives – permanently.

# **RANDOM HOUSE PRESS**

## **XLIBRIS and RANDOM HOUSE VENTURES**

- [http://www.corporate-ir.net/ireye/ir\\_site.zhtml?ticker=ADBL&script=416&layout=-6&item\\_id=92405](http://www.corporate-ir.net/ireye/ir_site.zhtml?ticker=ADBL&script=416&layout=-6&item_id=92405)
- <http://www.writenews.com>

---

# **RESELLER KIT**

## Random House Purchases Minority Stake in Xlibris

*"The Write News" – April 4, 2000*

Random House Ventures, the investment subsidiary of Random House, Inc., a leading trade book publisher, has acquired a significant minority position in Xlibris, a provider of direct publishing services for authors. The strategic partnership between the two companies was announced today by John Feldcamp, Chief Executive Officer of Xlibris, and Richard Sarnoff, President of Random House Ventures. Two Random House Ventures executives will join Xlibris' board, but will have no direct involvement in the management or operation of Xlibris, according to the companies.

Xlibris also announced that its basic book publishing service will be free to all writers. Writers will also retain all rights to their own work. Xlibris manages the book design and publication. Its digital archives file and store the contents, which are printed on-demand in single or short-run quantities and are made available through traditional and online retail and distribution channels, as well as through Xlibris' website.

Richard Sarnoff observed, "With the ease and skill by which they make it possible for any writer to publish their work, Xlibris is poised to become an appealing choice for many prospective authors. We admire John Feldcamp and his team for having created a wonderful interactive service organization that is totally focused on the needs of the writing community. This financial and strategic alliance will provide emerging benefits for writers and readers as the Internet becomes more and more pervasive. "

John Feldcamp said, "We and our new strategic partner both strongly believe that every writer's work deserves an opportunity to reach its readership. Random House Ventures' investment and strategic commitment to Xlibris will help to make it possible to serve many more authors much more effectively, and to become the leading provider of publishing and other services for authors. It is becoming increasingly obvious that the Internet has vast potential to improve people's lives, and now Xlibris is using the Web to improve the circumstances of authors in ways that were never before possible. "

## **RANDOM HOUSE VENTURES INFORMATION**

### **Random House Ventures LLC** *(formed 2000)*

1745 Broadway  
New York, New York 10019  
(212) 782-9000

Random House Ventures, L.L.C. is Random House Inc.'s wholly owned e-investment subsidiary. Its mandate is to invest in and support online and technology-driven companies that have the potential to reshape traditional publishing concepts, services, and relationships, as well as to complement Random House's longstanding publishing programs. New media spin-offs of Random House's publishing content will also be considered for Random House Ventures.

In strategic partnership with Random House, Inc.'s investment subsidiary, Random House Ventures, Xlibris will continuously offer new publishing services that open the marketplace of published books to everyone, and will strengthen and enrich the landscape of books and writing as a whole. So have a look around, see all that we have to offer, and get published.

Xlibris (49% stake – acquired 2000)

- <http://www.xlibris.com>

Audible Inc. (minority stake – acquired 2000)

- <http://www.audible.com>
- [http://www.corporate-ir.net/ireye/ir\\_site.zhtml?ticker=ADBL&script=416&layout=-6&item\\_id=92405](http://www.corporate-ir.net/ireye/ir_site.zhtml?ticker=ADBL&script=416&layout=-6&item_id=92405)

ebrary.com (partial stake – acquired 2000)

- <http://www.ebrary.com/company/board.jsp>
- <http://www.ebrary.com/news/001010.jsp>

---

# RESELLER KIT

## **BERTELSMANN VENTURES**

- <http://www.publishingtrends.com/copy/8-2000/0800bertelsmann.htm>

### **Bertelsmann's Ventures**

#### **Random House Parent Wages Global E-Commerce Turf War**

*"Publishing Trends" – August, 2000*

There is a special place on Thomas Middelhoff's atlas of corporate geography that he likes to call "Bertelsmann Valley." You might think of it as Silicon Valley stretched to a global scale and populated with scenic villages of dot-com shops, a few stray Holstein cows, and a couple billion dollars in strategically seeded venture capital. Or as Middelhoff, whom everyone knows as the chief executive of the world's third-largest media conglomerate, describes it in company literature, Bertelsmann Valley is a "global innovation factory" turning German venture capital and corporate synergies into bang-up business plans to power the next wave of e-commerce.

Whichever metaphor you prefer, **Random House**, Inc. is looming ever larger as a prime piece of real estate in Bertelsmann's e-commerce portfolio. With stakes in custom e-publisher **Xlibris** and digital audio retailer **Audible** via Random House Ventures, Random's e-investment subsidiary, it's clear that Random's stockpile of digitized content will prove instrumental as Bertelsmann gears up for a global digital turf war against **AOL Time Warner** and **CBS Viacom**. And with more than \$10 billion in Bertelsmann coffers primed for acquisitions and other investments — cash mostly derived from the sale of Bertelsmann's stakes in AOL Europe and AOL Australia to America Online — the strategic alliances between the company's publishing and e-commerce holdings are being closely watched by competitors on all fronts.

"In the decentralized organization of the Bertelsmann group," Middelhoff told a recent conference in Berlin, "the new magic words are: stronger cooperation and intensive networking between the autonomous product lines and companies." Shortly after that statement was made, the Bertelsmann e-Commerce Group (BeCG) was rolled out, forging a unified front of Internet, mobile, and broadband properties including **bn.com** (in which Bertelsmann has a 40% stake) and **bol.com**, which operates in 14 countries (including Japan, which the company notes is the second-largest book market in the world, devouring 1.5 billion books a year) and is soon to open in China, Korea, and Italy. Headed by **Andreas Schmidt**, who was recruited from AOL Europe, the BeCG mandate is to drive content — from books to magazines to compact discs — to wired consumers. "In the near future, we believe all content will be digitized," Schmidt tells *PT* via e-mail, "and our aim is to put the products Bertelsmann produces — music, books, movies, and television — into digital form and distribute them across the Internet." That may be the party line, but there's more "intensive networking" to come. Middelhoff told the *Financial Times Deutschland* that he expects to bundle all Bertelsmann e-commerce under a single brand in the next three months. The long-term goal, Middelhoff said, was the digital distribution of books and music to a worldwide "content community" via a single brand network that could include bn.com and the Bertelsmann joint venture **GetMusic**. And all that commerce can be conducted with help from Bertelsmann's digital rights management unit, **Digital World Services**.

For the moment, though, books are on the Bertelsmann Valley back forty. Major hits in the US have targeted the music and magazine segments, as in the acquisition of **CDNow** for \$117 million. Bertelsmann's magazine and newspaper unit **Gruner + Jahr**, meanwhile, dumped its UK holdings last month to focus on targets in the US, including the acquisition of *Inc.* magazine for \$200 million. G + J USA CEO **Daniel Brewster** is also said to be in hot pursuit of the **Times Mirror** magazine group, a prize that would put content from such titles as *Field & Stream* and *Popular Science* at Bertelsmann's e-commerce disposal.

On the portal front, much ado was made in May over Bertelsmann's participation in the **Terra Lycos** deal, in which Spain's Terra Networks gobbled up the portal Lycos for \$12.5 billion, with Bertelsmann planning

to pitch in \$1 billion in advertising over the next five years. But the deal's rationale involves a broader strategy to combine Terra's data lines with Lycos's portals, and funnel Bertelsmann's content over both of them to the 50 million people in 37 countries who visit the Terra and Lycos sites each day. In fact, thanks to strategic alliances with AOL, Terra Lycos, and other portals, Bertelsmann has direct access to 200 million customers, in addition to the 50 million people already in the Bertelsmann database, including its book clubs. And on that note, all Bertelsmann clubs have been folded under one "direct-to-customer" umbrella to consolidate cross-divisional networking. **BookSpan**, a joint venture with Time Warner's **Book-of-the-Month Club** and Bertelsmann's **Doubleday Direct**, has only heightened convergence in clubland, while company insiders suspect an imminent bid for **Reader's Digest**. Then again, what media property hasn't had a rumored Bertelsmann bid?

A spokesperson declined to discuss Bertelsmann's publishing holdings. But the most recent figures show that those holdings derive close to 70% of their revenues in North America, while 34% of Bertelsmann's total revenues in the last fiscal year were generated in the US. Accordingly, few were surprised when Bertelsmann made Random House ground zero for the company's worldwide book business, with **Peter Olson** at the helm. And that just means more fun for **Richard Sarnoff**, president of Random House Ventures. Look for more deals à la Audible, which created the Random House Audible imprint to produce spoken word content for digital distribution, with titles sold on the web by Audible.com (which has an exclusive deal with **Amazon**).

As the titans duke it out for e-market share, don't forget Bertelsmann Ventures, a venture capital fund with offices in Santa Barbara, New York, and Hamburg, which recently closed a \$250 million round of venture-ready capital. And Bertelsmann controls a venture capital fund for e-commerce companies via its e-Commerce Group. As Middelhoff told the European press, it's "only the beginning." That much, at least, is certain.

*©2000 Publishing Trends*

## **RANDOM HOUSE HISTORY and INFORMATION**

- <http://www.randomhouse.com/about/history.html>

### **Random House History**

Random House, Inc. is the world's largest English-language general trade book publisher. It is a division of **Bertelsmann AG**, one of the foremost media companies in the world.

Random House, Inc. assumed its current form with its acquisition by Bertelsmann in 1998, which brought together the imprints of the former Random House, Inc. with those of the former Bantam Doubleday Dell. Random House, Inc.'s publishing groups include, the Bantam Dell Publishing Group, the Crown Publishing Group, the Doubleday Broadway Publishing Group, the Knopf Publishing Group, the Random House Audio Publishing Group, Random House Children's Books, the Random House Diversified Publishing Group, the Random House Information Group, the Random House Publishing Group, and Random House Ventures.

Together, these groups and their imprints publish fiction and nonfiction, both original and reprints, by some of the foremost and most popular writers of our time. They appear in a full range of formats—including hardcover, trade paperback, mass market paperback, audio, electronic, and digital, for the widest possible readership from adults to young adults and children.

The reach of Random House, Inc. is global, with subsidiaries and affiliated companies in Canada, the United Kingdom, Australia, New Zealand, and South Africa. Through Random House International, the books published by the imprints of Random House, Inc. are sold in virtually every country in the world.

Random House has long been committed to publishing the best literature by writers both in the United States and abroad. In addition to their commercial success, books published by Random House, Inc.

have won more major awards than those published by any other company—including the Nobel Prize, the Pulitzer Prize, the National Book Award, and the National Book Critics Circle Award.

The company was founded in 1925, when Bennett Cerf and Donald Klopfer purchased The Modern Library, reprints of classic works of literature, from publisher Horace Liveright. Two years later, in 1927, they decided to broaden their publishing activities, and the Random House colophon made its debut.

Random House first made international news by successfully defending in court the U.S. publication of James Joyce's masterpiece, *Ulysses*, setting a major legal precedent for freedom of speech. Beginning in the 1930s, the company moved into publishing for children, and over the years has become a leader in the field. Random House entered reference publishing in 1947 with the highly successful American College Dictionary, which was followed in 1966 by the equally successful unabridged Random House Dictionary of the English Language. It continues to publish numerous reference works, including the Random House Webster's College Dictionary.

In 1960, Random House acquired the distinguished American publishing house of Alfred A. Knopf, Inc., and, a year later, Pantheon Books, which had been established in New York by European editors to publish works from abroad. Both were assured complete editorial independence—a policy which continues in all parts of the company to this day.

Random House, Inc. was itself acquired in 1965 by the major media corporation, RCA. The publisher's expansion continued with the acquisition in 1973 of Ballantine Books, whose mass market paperback publishing program enabled Random House to reach a much broader and more diverse readership.

In 1980, Random House was acquired by Advance Publications, Inc., a privately held company. There followed a period of significant growth, including the acquisition of the paperback publisher Fawcett Books in 1982; the creation of Villard Books, a new hardcover imprint, in 1983; the acquisition of Times Books from The New York Times Company in 1984; and Fodor's Travel Guides, acquired in 1986.

In 1988, Random House again grew dramatically with the acquisition of the Crown Publishing Group, whose imprints included Crown; Clarkson Potter, Inc.; Harmony Books; and the Outlet Book Company, a major publisher of low-priced books now known as Random House Value Publishing.

Having established Random House of Canada in 1944, Random House significantly expanded its international presence in 1987 to the United Kingdom with the acquisition of the British publishing group, Chatto, Virago, Bodley Head & Jonathan Cape, Ltd. The London operation was further expanded with the acquisition of Century Hutchinson Ltd. in 1989, and the trade division of Reed Books in 1997. Both the Canadian and UK operations grew substantially in 1998 with the acquisition of Random House, Inc. by Bertelsmann AG. Bertelsmann's Doubleday Canada and Bantam Books Canada merged with Random House of Canada, whose imprints also include Random House Canada, Knopf Canada, Vintage Canada, and Ballantine Canada. Transworld UK, Bertelsmann's UK operation, joined Random House UK, with subsidiaries in Australia, New Zealand and South Africa.

### **Random House Information**

Random House is a publishing division of Bertelsmann AG. It was founded in 1927 by Bennett Cerf and Donald Klopfer, two years after they had acquired the Modern Library imprint. Cerf is quoted as saying "We just said we were going to publish a few books on the side at random," which suggested the name Random House.

Its imprints currently include the Bantam Dell Publishing Group, Chatto and Windus, the Crown Publishing Group, the Doubleday Broadway Publishing Group, Ebury Press, the Knopf Publishing Group, the Random House Audio Publishing Group, Random House Children's Books, the Random House Diversified Publishing Group, the Random House Information Group, the Random House Ballantine Publishing Group, and Random House Ventures. It also has a division called Del Rey Manga, which publishes manga in English in North America

The distinguished American publishers Alfred A. Knopf, Inc. and Pantheon Books were acquired by Random House in 1960 and 1961, respectively; works continue to be published under these imprints with editorial independence.

One of its major competitors in Germany is the Holtzbrinck Group.

## **Bennet Cerf – Founder, Publisher of Random House**

*Bennett Alfred Cerf (1898–1971)*

*Publisher*

*Columbia College 1919*

*"There have been too many [books] in which some young man is looking forward, backward or sideways in anger. Or in which some Southern youth is being chased through the magnolia bushes by his aunt. She catches him on page 28 with horrid results."*

Generations of children may have been introduced to Bennett Cerf by his *Book of Riddles*, but he was more than just a compiler of humor: An extroverted punster and raconteur who published some of the twentieth century's most celebrated writers, Cerf was a celebrity in his own right, editing anthologies, writing a syndicated newspaper column, and serving as a panelist on the television show *What's My Line?* Cerf started Random House in 1927, two years after he and Donald Klopfer acquired the Modern Library imprint that became the foundation for the new publishing venture. "We just said we were going to publish a few books on the side at random," Cerf later said—hence the name Random House. Under his leadership, Random House published James Joyce's *Ulysses* in 1934, defying a ban, and created Beginner Books, which published Dr. Seuss and others. The publisher's roster of adult writers included novelists Truman Capote, John O'Hara, Irwin Shaw, and James Michener, playwrights Eugene O'Neill and Moss Hart, and journalist Edgar Snow. When Cerf bought his friend Alfred A. Knopf's publishing house in 1960, the deal was one of the industry's first, and most successful, mergers. In addition to his many illustrious authors, Cerf employed Jason Epstein (Columbia College 1949), founder of *The New York Review of Books*, as his editorial director. He continued as president of Random House until 1965.

Born near Columbia at 121st Street and Seventh Avenue, Cerf attended the same public school as Richard Rodgers (Columbia College 1923). As a Columbia undergraduate, he wrote a daily column for the *Spectator* and edited the *Jester*, a humor magazine. After graduating in 1919, he spent a few unhappy years as a stockbroker before getting a job at publisher Boni & Liveright, owner of Modern Library, in 1923. Cerf took the job vacated by his classmate Richard Simon (Columbia College 1920), who left to start his own publishing venture with Max Schuster (Columbia College 1917). Two years later Cerf and Klopfer, who attended Columbia but transferred to Williams, bought Modern Library. In 1969, Cerf donated to Columbia the Random House archives, which contained the memorabilia of Gertrude Stein, William Faulkner, Sinclair Lewis, and Eudora Welty (Business 1930–31), among others. When Cerf died in 1971, his funeral service was held at St. Paul's Chapel.