
ARNOLD & PORTER LLP

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555 Twelfth Street, NW
Washington, DC 20004-1206

February 1, 2005

VIA HAND DELIVERY

John Welch
Mercer Human Resource Consulting
1255 23rd Street, N.W.
Suite 500
Washington, DC 20037

VIA FEDERAL EXPRESS

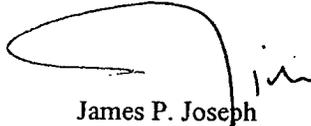
Margaret Handmaker
Mercer Human Resource Consulting
462 S. Fourth Avenue
Suite 1500
Louisville, KY 40202

Dear John and Margaret:

Pursuant to our retention of Mercer to assist us on compensation matters involving American University, enclosed please find confidential materials regarding American's compensation structure and, in particular, the total compensation received by American's President, Ben Ladner. I understand that Andy Klein from Mercer will be sending you the compensation study done by Towers Perrin last year.

Please call me after you have had a chance to review this.

Sincerely,



James P. Joseph

AUSF 000308

ARNOLD & PORTER LLP

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December 17, 2004

VIA HAND DELIVERY

Andrew Klein
Mercer Consulting
1255 23rd Street, N.W.
Suite 500
Washington, DC 20037

Re: American University

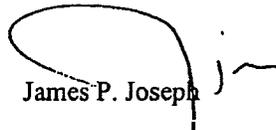
Dear Andy:

As discussed, enclosed are the materials relating to American University that I would like you to review. Please consider the completeness of the data collected and the thoroughness of the analysis. I would also like you to provide me with a list of issues that you would cover in a report like this, but which are not discussed in sufficient detail in the Towers Perrin report.

If you have any questions, please call me. I would appreciate receiving any written product from you in draft form first, so that I have the opportunity to review, comment and ask questions about your report before it is finalized.

Thanks again for your help.

Sincerely,


James P. Joseph

Enclosures

AUSF 000309

October 21, 1996

Mr. Edward R. Carr
President, Carrhomes, Inc.

Dear Ed:

I am enclosing what I hope will be a final draft of my contract that reflects what we both have been trying to achieve.

After discussions with a financial advisor with respect to a split-dollar life insurance arrangement, I believe we have solved the problem. Since the split dollar is not a form of compensation (and therefore taxable), it is necessary to do two things. First, instead of including a statement that the University will make an annual payment to me of 20% of my salary, we have to state an actual dollar amount that will be contributed to the split dollar insurance. I have used a figure equal to 20% of this year's salary as a minimum - meaning it can change next year to 20% of next year's salary, and so on. Second, we discovered it is possible to use the same insurance instrument to contribute an additional \$50,000 that will be in my name but on behalf of Nancy in terms of eventual pay-out.

So the figures come out this way: you and I have already agreed upon a total amount of \$134,000 presently owed to me, reflecting funds I have not received over the past two years -

\$45,000	(20% of my 1994 salary of \$225,000)
\$49,000	(20% of my 1995 salary of \$245,000)
\$20,000	(unpaid 1995 salary increase)
\$20,000	(unpaid investment interest @ \$10,000 each year).

Add \$50,000 as Nancy's portion, and the total this year is \$184,000.

Next year's amount is calculated at \$53,000 (20% of my 1996 salary of \$265,000), plus Nancy's portion of \$50,000, for a total of \$103,000.

This is what appears in item # 9 as dollar-amount totals. Nothing else in the document needed to be changed, since Nancy's reward is being included in this way. Her other benefit for services remains the same as described in item # 13 - and she is happy with this arrangement.

AUSF 000317