EXHIBIT 36
Ruth: APA has a policy on returns, which we should follow.

What I do NOT think we have done is inform all distributors of the new edition, that AERA is handling that, and that they must get any returns of the old version to us by a date certain. I believe we should do this in the next 2-3 weeks. I believe the final "return for credit" date should be in November. Remember we have distributors in Australia and Singapore in addition to Eurospan. Most critical is the US distributors like Ingram, R-house, Loggin Bros, etc.

Gary

-----Original Message-----
From: Sei1ter, Ruth A.
Sent: Tuesday, August 22, 2000 10:52 AM
To: VandenBos, Gary; Frank-McNeil, Julia
Subject: FW: Program 50426 Yr. 2000 Probable

Re: Standards & Educational Psychological Testing - old version

Gary and Julia... At some point, we will need to decide when to cut off refunds for returned copies. As of the July financial report, we have net revenues of -$2,262 (refunds). Some revenue is still trickling in. It appears to be from Eurospan Consignment.

I'll put this reminder in the budget folder in case we haven't decided by then. Thanks. -Ruth

-----Original Message-----
From: Sei1ter, Ruth A.
Sent: Tuesday, August 22, 2000 10:31 AM
To: Graves, Susan; Jablonski, Karen
Cc: Frank-McNeil, Julia; Maranto, Dianne B.
Subject: RE: Program 50426 Yr. 2000 Probable

The old stock of Standards was supposed to be destroyed at DDD. One credit entry I see is from Eurospan Consignment - perhaps they are just now selling the older versions.

The cut-off date for issuing refunds will have to be reviewed by Gary and Julia. It's a leaky boat that we need to plug. Julia gets back from a business trip to Europe this week. I'll let you know. Thanks.
Ruth

-----Original Message-----
From: Graves, Susan
Sent: Tuesday, August 22, 2000 10:27 AM
To: Sei1ter, Ruth A.; Jablonski, Karen
Cc: Frank-McNeil, Julia; Maranto, Dianne B.
Subject: RE: Program 50426 Yr. 2000 Probable

Ruth,
Thanks for your note. You are indeed correct, the budget number was entered incorrectly. We will have to report correctly in the fall year-end probable estimates.

Your note is actually quite timely. Diane and I were just looking at the actual activity in 50426 and were somewhat surprised to see the refunds. We also noticed that a few revenue (credit) entries also came in. What do these credits represent? Diane was concerned at the appearance of possible sales of the old test standards being sold - do you know what they are for? Also, what is the plan with regard to the refunds - how long do you anticipate honoring the refund requests?

Let me know when you have a minute.

Thanks! Susan

-----Original Message-----
From: Seiter, Ruth A.
Sent: Tuesday, August 22, 2000 10:00 AM
To: Jablonski, Karen
Cc: Frank-McNeil, Julia; Graves, Susan
Subject: Program 50426 Yr. 2000 Probable

Hi Karen... While reviewing the July Performance Report with Percentages, I spotted an error in the 2000 Probable listed in Program 50426 - Standards-Educ/Psyc Tests.

On our BU-100, we submitted a Probable Revenue of ($2,000) - negative - we are paying out to customers for returned copies of the old edition of the Standards book. (Another organization published the revised edition and it's out of our hands/hair.) The current report is showing this as a positive $2,000. I realize it's not a huge difference, $4,000, but I just wanted you to know. We really are paying out instead of taking in revenue in this one case. Thanks!

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