

Choose your font and text.  
Here's the font on it's own with  
a white fill and hairline black stroke.



I made the stroke a bit thicker and chose  
the yellow and blue because they contrast  
well against each other making them easier  
to work with.



Next I replaced the yellow with a gradient fill.  
Shown here is a simple two color gradient.



Here I've converted the text to curves and then  
broken the curve appart. This seperates every  
little part of each object. So the knockout of the  
'A' 'R' and 'D' are now separate objects, and are  
arranged under the main letters so you can't see  
them.

I did this so I could have more control over each  
letter- now each letter has a separate stroke and  
I can arrange the letters in whatever order I like.



Next I selected everything and converted all strokes  
to objects.

The letters are still broken apart (the knockouts are  
not associated with each letter), so you'll need to  
combine (aka compound) the letter with it's knockout  
to make it 'solid' again.

In wireframe view, select the D and its knockout (as  
shown in red here) and make a compound of the two  
objects. This makes it solid again. Do this for every  
letter.

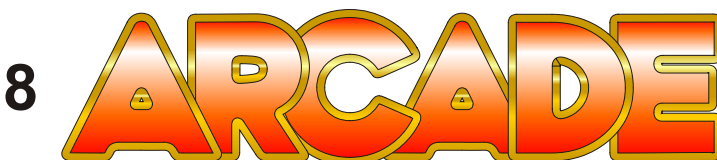


Here the letters are solid and the converted stroke is  
shown as an outline only.



Now I've given the converted strokes a fill. And  
arranged each letter and stroke above or below the  
previous letter.

(I say strokes, but technically they're not strokes  
anymore because I converted them to objects in  
step 5)



Select all the letters together (holding shift) and give  
them all an identical gradient fill.

Then select all the strok objects together and give  
them another gradient fill.



Finally, select all the stroke objects and give them a  
bit of a drop shadow.