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Editor-in-Chief

O'Dwyer's Newsletter

The Inside News of
PR and Marketing
Communications

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September 6, 2011 Vol. 44 No. 34

PORT OF SAN FRAN FLOATS RFQ

The Port of San Francisco, which delayed a planned RFQ in July for PR agencies as it prepares to mark 150 years and host the 2013 America's Cup, has initiated the search, which is open to pitches through September 19.

The port wants to tap a small pool of PR firms to work on an as-needed basis over the next two years on its outreach to investors, visitors and media as it seeks to leverage the added visibility of the America's Cup race and the port's own anniversary.

San Francisco's 7.5-mile shoreline, which has evolved from an industrial maritime base to a more commercial and recreational area of the city, is managed by the port entity.

The RFQ was originally slated for release in early July and was then expected to be budgeted at \$600K over four years.

Download the RFP at <http://odwpr.us/rmeB1a>.



Photo: America's Cup

GILLETTE REVIEWS PN WORK

Procter & Gamble's Gillette unit is reviewing its \$5M men's grooming account that has been at Porter Novelli for more than two decades.

Damon Jones, global communications manager of male grooming at P&G, says the firm wants to "have the right capability in place." PR is viewed as a "critically important part of our mix."

Gillette separated its men's and women's lines about two years ago, yanking the Venus shaving product from PN and handing it to Marina Maher Communications.

The company also uses Interpublic's DeVries, Publicis Groupe's MSLGroup and Taylor for PR.

Ad Age, which broke the story, reports if PN loses its marquee client, it would be left with the Braun account, a "comparative sliver of P&G business."

HAVAS PROFIT, GROWTH RISE IN 1H

Havas, the French parent company to firms like Abernathy MacGregor Group and Euro RSCG PR, said Sept. 2 that first half organic growth rose 5.6% as net income jumped 8% to €53M compared with the same period of 2010.

First half revenue climbed 5% to €765M, including €245M in North America, where organic growth jumped 8.1% on advertising, digital and healthcare communications.

The Durex condom brand was a big win for the first half for Euro RSCG PR, the company noted.

KOCH BROS. TAP TOP GOP SHOP

Koch Industries, the privately held conglomerate controlled by Charles and David Koch, has signed on at powerhouse Republican firm Clark Lytle & Geduldig.

The firm represents Koch Companies Public Sector, which is the D.C. office of Wichita-based Koch, on energy, trade and investment issues.

Roll Call, reported May 1 that revenues at CL&G have soared since the GOP takeover of Congress last year.

Earlier this year, the firm strengthened those GOP ties by recruiting Jay Cranford, a policy aide to House Speaker John Boehner, to boost its energy and technology client roster. CL&G partner Sam Geduldig once worked for Boehner and Congressman Roy Blunt, who is now Missouri's Senator.

Other CL&G staffers working the Koch business are Steve Clark, ex-government affairs VP at Ameritech; Gary Lytle, former senior VP-federal affairs at Qwest; Deborah Pryce, ex-Republican Rep. from Ohio, and Amy Wren, finance director to ex-Majority Leader Tom Delay.

H-P SHUFFLES COMMUNICATIONS

Hewlett-Packard, which is mulling a spinoff of its PC business, has reassigned its top communications executive to a "special assignment" and put corporate communications under its chief marketing officer.

Bill Wohl, who joined H-P as chief comms. officer in January, is taking on a role to burnish H-P's software operations after H-P last month moved to acquire software provider Autonomy in an \$11.7B deal.

H-P's corporate communications will now be led by chief marketing officer Marty Homlish and marketing VP Lynn Anderson. Wohl worked with Homlish and H-P CEO Leo Apotheker at SAP.

H-P is considering a spinoff of its personal computer operation as a shift in its operations.

MORRELL TO HEAD BP's US PR

Former Pentagon press secretary Geoff Morrell has been tapped to head communications for BP America as the company continues a long slog toward repairing its image in the wake of the 2010 Gulf oil spill.

Morrell stepped down as Deputy Assistant Secretary of Defense for Public Affairs in June, following Secretary Robert Gates out the door after four years spanning the Bush and Obama administrations. He was previously a TV journalist, exiting ABC News for the Pentagon in 2007 after covering the White House.

At BP, he reports to U.K.-based Peter Henshaw, group head of communications, and oversees the company's internal and external communications in the Americas.

SANITAS SUPPORTS BAHRAIN'S PR

Sanitas International is providing strategic counsel, PA, media communications and third-party outreach services to promote the Kingdom of Bahrain, which is the home of the U.S. Fifth Fleet and a restive population.

That representation is through Joe Trippi and Assocs., the Democratic political consulting firm that has worked for Howard Dean's presidential bid and Jerry Brown's successful race for the California Governor post.



Bahrain's World Trade Center.

In his engagement letter to Trippi, Sanitas co-founder Christopher Harvin, wrote of looking forward to bolstering "awareness for the Kingdom of Bahrain with a wide range of audiences and stakeholders in the U.S."

Harvin looks "forward to a long and productive relationship with both you and your team around the globe and are eager to start working on your behalf and on behalf of the Information Affairs Authority of the Kingdom of Bahrain."

His firm's retainer and other fee arrangements are to be billed as determined by the scope of work being negotiated.

Harvin, a former deputy managing director in Levick Strategic Communications' international practice, served as an advance man during both terms of George W. Bush's administration.

That duty included an eight-month stint with the Coalition Provisional Authority in Baghdad, Harvin helped manage the Office of Reconstruction and Humanitarian Assistance press desk.

He also saw service in former Secretary of Defense Don Rumsfeld's PA shop, handling outreach to media, Congress and coalition members.

Bahrain also uses Qorvis Communications for PR duties. For its work for the Ministry of Foreign Affairs, Qorvis receives a \$40K-a-month retainer.

COLUMBUS EYES RECYCLING PR

Columbus, Ohio, is looking for agency help for an expected two-year contract for recycling PR with an RFP process open through mid-September.

The city of 787,000 residents issued the RFP Aug. 30 as it plans a new recycling program with a goal of boosting its landfill garbage diversion from 14.5% now to 35% by 2015.

The new program starts early next year and the city wants a firm to develop a public education and marketing effort starting in December.

The non-profit Curbside Value Partnership is assisting the city with outreach and design.

The PR effort will be under the Department of Public Service's communications office and the Mayor's Office of Environmental Stewardship. The work will include programming for the city's government cable channel, PSAs, website and social media, PR outreach and brochures, among other tasks.

Budget is set at \$330K.

Download the RFP at <http://odwpr.us/qMPdcj>.

HETRICK TO CLOSE DOORS

Hetrick Communications, an 18-year-old Indianapolis PR firm with six full-time staffers, will close its doors at the end of September after previous reductions failed to stem a downturn in business and other factors which hurt the business.

President and CEO Brian Hetrick said the death of a key partner, a failed experiment with specialization, the exit of key clients from their companies, economic uncertainty, and changes from long-term engagements to project assignments all contributed to his decision to close up shop.

"In this economic environment," said Hetrick, "we find ourselves with a level of talent and office space that we cannot sustain while remaining competitive."

Hetrick is a former mayoral press secretary who moved into the advertising and PR agency realm and later headed communications for Methodist Hospital in Indianapolis. He started the firm in his basement in 1994.

Clients have included Purdue University, the Indiana Veterinary Medicine Assn., and bluemile.

Day-to-day operations will cease Sept. 30.

"We're grateful to all our clients, past and present, for the opportunity to do 'good work that does good,'" Hetrick said in a blog post.



Hetrick

BOTTICELLI TO PILOT PR FOR HAWAIIAN AIR

Ann Botticelli, a longtime journalist who heads community relations and communications for Hawaii's large private school for native islanders, is expected to step down at the end of the month to lead communications for Hawaiian Airlines.

Botticelli guided PR for Kamehameha Schools through a high-profile court battle that challenged its controversial policy of admitting only native Hawaiians.

A lawsuit brought by a non-Hawaiian student, which was headed to the U.S. Supreme Court after being dismissed, was settled by a payment from the school in 2008 for \$7M.

The school has a \$9B endowment.

Botticelli will join the 82-year-old Hawaiian Air as senior VP for corporate communications and public affairs on Oct. 3, based in Honolulu. She takes over for Al Hoffman, who is retiring and is a former colleague at the Hawaii PR firm Communications Pacific.

Botticelli was a reporter for KITV-4, KHON-TV and the *Honolulu Advertiser* in a two-decade journalism career before moving to PR.

She was VP at Communications Pacific, where she worked under then-president Hoffman, and later VP of comms. for the non-profit Child and Family Service.

Hawaiian Airlines is the top carrier from the mainland U.S. to Hawaii, and also serves Asia, Australia, American Samoa and Tahiti.



Botticelli

JAMES MURDOCH NIXES \$6M BONUS

James Murdoch has decided to give up his \$6M bonus for fiscal 2011 due to the hacking scandal at the now closed U.K. *News of the World* tabloid.

"In light of the current controversy surrounding News of the World, I have declined the bonus that the company chose to award to me," said Murdoch in a statement posted Sept. 2 on News Corp.'s website. "While the financial and operating performance metrics on which the bonus decision was based are not associated with this matter, I feel that declining the bonus is the right thing to do."



Murdoch

The bonus was part of the \$17.9M comp package that was granted Murdoch, who serves as deputy COO and chief of European operations. He is son of News Corp CEO, Rupert.

Unlike his son, the senior Murdoch took his \$12.5M bonus that was part of his \$33.3M compensation package, according to the media combine's proxy released Sept. 2.

Breyer to Board

News Corp. also announced the same day that Jim Breyer, partner of Accel Partners venture capital firm, has been nominated to its 14-member board of directors.

Shareholders are expected to elect the 50-year-old executive to the media combine's board at the Oct. 21 annual meeting set for Los Angeles.



Breyer

Breyer serves on the boards of Wal-Mart, where he is presiding independent director, and Dell Inc., where he chairs its finance committee. He was a member of Marvel Entertainment's board until it was acquired by Disney. Breyer is lead investor/director in privately-held companies, including Facebook, Brightcove and Legendary Pictures.

CEO Murdoch said in a statement that Breyer's "remarkable track record in the investment community and his background in media and technology will enable him to make significant contributions" to the board."

News Corp. also announced that 79-year-old Tom Perkins, founder partner of Kleiner Perkins Caufield & Byers, and 76-year-old Ken Cowley, who joined the company in 1964 as part of the team that launched "The Australian," are stepping down from the board.

Hacking Hearings Set

The U.K.'s culture, media and sport committee of parliament resumed hearings Sept. 6 on News Corp.'s hacking scandal.

The committee heard testimony from former News International executives including Jonathan Chapman, director of legal affairs; Daniel Cloke, group human resources director; Colin Myer, editor of News of the World, and Tom Crone, legal manager.

Myler and Crone claim that top News Corp. management including James Murdoch, News Corp. deputy COO, and Les Hinton, former head of News International and Dow Jones, were aware of the extent of the hacking scandal.

Murdoch and Hinton have said the phone hacking limited to the work of a rogue staffer.

The Committee has written letters to Hinton and former NOTW editors Andy Coulson and Rebekah Brooks to ask them whether they wish to add anything to or amend any of the evidence they have previously given to the panel.

New York State Slaps News Corp.

New York State Comptroller Thomas DiNapoli has voided a \$27M education contract with a News Corp. unit, citing the "ongoing investigations and continuing revelations" about the media combine.

The contract for evaluating tests was with News Corp.'s Wireless Generation. It was part of the Empire State's \$700M "Race to the Top" program, according to the August 27 *New York Daily News*.

In his letter to the state's Education Dept., DiNapoli wrote that "we are returning the contract with Wireless Generation unapproved."

He also knocked News Corp.'s "incomplete record" in the education department.

News Corp. acquired a 90 percent stake in Brooklyn-based Wireless Generation in November for \$360M.

Murdoch hailed the company as being "in the forefront of individualized, technology-based learning that is poised to revolutionize public education for a new generation of students."

Joel Klein, the former New York City chancellor and deputy White House counsel in the Clinton administration, heads News Corp.'s education thrust.

DALY DEPARTS DEMAND

Quinn Daly, who built "content farm" Demand Media's corporate communications unit and guided the online publisher through its \$153M IPO in January, has left the company for a top post at Coburn Communication.

Daly stepped down from Demand last month after a five-year stint as senior VP, corporate communications. The company has not yet been reached about a replacement.

She has taken up an executive VP role in Los Angeles for Coburn, a 12-year-old, New York-based firm led by former Calvin Klein PR exec Shirine Coburn.



Demand's shares have sunk by half amid a broad market decline and a challenge by Google to its SEO-juiced articles since the company's successful market debut in January.

Reuters columnist Robert Cyran last week blasted Demand for implementing a \$25M share buyback program he said was "galling" to shareholders who were led to believe the company went public to invest in other areas like expansion and marketing.

Daly was previously a GM for Blanc & Otus' San Francisco office and earlier guided corporate PR for Macromedia, marketing communications at start-up Xythos Software, and international PR for Silicon Graphics.

VOICE OF AMERICA WANTS SM RESEARCH

The Broadcasting Board of Governors is planning to hire a firm to study social media in three foreign cities on behalf of the Voice of America, the federally funded global broadcaster.

VOA has asked for proposals to research social networking and how the phenomenon can best be used to supplement traditional content distribution. Specific markets for the study are Lagos, Nigeria; Cairo, Egypt, and Jakarta, Indonesia, three cities with large Muslim populations. The broadcaster wants a report on the role of social networking in news dissemination to include data from research, interviews and the use of social media monitoring tools, to name a few suggestions.

According to an RFP, VOA wants to find out the extent that SM users rely on media for information, types of information commonly obtained from SM, mechanisms used, and the extent that news is passed on to friends and family.

Proposals are due Sept. 9. Information is at <http://odwpr.us/rkriVG>.

TWITTER TAKES TELECOM PRO

Colin Crowell, who had been running his own telecom consulting shop in D.C., will head Twitter's global public policy shop starting in mid-September.

The well-respected Crowell has counseled BT Americas, Sprint, Cablevision, Consumer Electronics Assn. and T-Mobile.

Prior to establishing Crowell Strategies last year, Crowell was senior counselor to FCC chairman Julius Genachowski, handling legislation, communications and intergovernmental affairs.

Earlier, he served for more than 20 years on the staff of Massachusetts Congressman Ed Markey when he either chaired or sat as ranking member of the House telecommunications subcommittee.

Twitter announced Crowell's hiring via a tweet from general counsel Alexander MacGillivray who is "very happy to welcome longtime user advocate" Crowell to the microblogging firm.

Crowell tweeted that having "pushed open exchange of info information in tech policy for 20+ yrs. No better place to apply that belief than Twitter."

Twitter faces a number of security and privacy issues on Capitol Hill.

NEWSPAPER AD SPENDING DIVES

The Newspaper Association of America reported last week that second-quarter advertising spending dropped seven percent to \$6B.

Print was down nine percent to \$5.2B, while online outlays jumped eight percent to \$800M.

Print has declined for 20 consecutive quarters.

NAA president John Sturm said the ad decline stems from a slowing economic recovery, especially in the consumer spending area. He does see progress in papers "leveraging their digital platforms."

The NAA said in July that newspaper websites attracted an average monthly audience of 110.8M unique visitors ages 18+ during the second quarter, to their websites in the second quarter, a 2 percent increase over Q1.

WARD CAST BY 20TH CENTURY FOX

Bumble Ward, who pulled the plug on her Hollywood PR agency in 2005 to write, has re-entered the realm as executive VP of publicity for Twentieth Century Fox's domestic theatrical marketing unit.

Ward joined the News Corp. unit on Aug. 30 overseeing domestic publicity campaigns for the studio, which slates "What's Your Number?" with Anna Faris for late September and the latest installment of the "Alvin and the Chipmunks" series for the Christmas season.



Ward

At Fox, she reports to chief marketing officer Oren Aviv, who joined from Disney in January, and chief creative officer Tony Sella.

"Bumble has long been one of the industry's most respected publicity professionals and over the past several years she has become a top social media marketing specialist," Aviv and Sella said in a statement.

Variety reported that Carol Sewell stepped down from the Fox post in May.

Bumble Ward & Associates represented talent like Tim Burton, Sofia Coppola and Quentin Tarantino before closing down six years ago.

Ward, a native of England, has written a blog and pursued other writing and PR projects since then. Previous PR posts were at Clein + White Public Relations and Marketing, Dennis Davidson & Associates, Andrea Jaffe & Associates, and Clein + Feldman.

NEGATIVE PUBLIC VIEW OF PR CLIMBS

Politicians aren't the only ones suffering image woes of late.

The combined advertising and public relations industry suffered a reputation hit in an August Gallup poll, which asked the public's views on various sectors of business.

The ad/PR sector suffered a five percent gap between 32% positive and 37% negative, with a 29% neutral rating. That's a lower positive than electric and gas utilities, sports, and accounting, according to Gallup. The public also has a higher negative view of ad/PR than the auto sector, retail and the telephone industry.

Over the past decade, Gallup found the public's positive view of advertising and PR has declined by 6%, from 38% in 2001 to 32% today.

Full table is at gallup.com. The polling was conducted in mid-August.

ARRINGTON STEPS DOWN AT TECH CRUNCH

Michael Arrington, founder of TechCrunch, is stepping down from the technology blog to run a \$20M venture capital fund called CrunchFund that is bankrolled in part by AOL, which bought TechCrunch in April.

Erick Schonfeld, TechCrunch's co-editor in New York, will take over for Arrington.

Crunchfund investors include Kleiner Perkins Caufield & Byers, Redpoint Ventures, Sequoia Capital and Austin Ventures.

NEWS OF PR FIRMS

SPHERE SEES \$\$\$ FOR 'SECOND STIMULUS'

Sphere Consulting has proffered a plan for a "second stimulus" to spark the U.S. economy, a plan based on public-private partnerships outlined in a report released by the public affairs firm last month.

Jim Courtovich's firm finds there is a pot of \$250B available globally for infrastructure projects, up 40 percent from 2010. The report predicts that amount could be leveraged into a whopping total of \$650B for U.S. roads, tunnels, schools and bridges.

A private/public sector partnership could add 1.9M jobs for the hard-pressed construction sector, cutting the unemployment rate by 14 percent.

Granted, the Sphere survey was created in conjunction with companies that have a strong vested interest in putting money into big bang projects. That group includes Morgan Stanley, Merrill Lynch, Citi Infrastructure Investors, Carlyle, Macquarie Group Ltd., UBS and Credit Suisse.

But Sphere offers a roadmap to infrastructure spending that could win support from Republicans and Democrats who have squabbled over government spending and tax/regulatory cuts.

Prior to setting up Sphere, Courtovich advised venture capitalist Ted Forstmann and John Walton, a member of the founding family of Wal-Mart. He also counseled Republican Senators Phil Gramm and Warren Rudman.

EDELMAN TO BOOST WOMEN LEADERS

Richard Edelman, CEO of Edelman, last week outlined a plan to increase the percentage of women in the firm's top leadership posts to half by 2016.

Edelman noted that women account for approximately two-thirds of the firm's total work force, but a smaller percentage in leadership roles like its strategy committee (34%) and operating committee (28%).

Only one of the firm's four regional presidents is a woman and 31% of its 16 global client relationship managers are female.

"Our goal is simple—50% of those on Strategy Committee, Operating Committee, GCRM and practice leadership will be women by 2016," Edelman wrote on his blog. "They will have earned the positions; there will not be a quota."

Edelman said he directed Gail Becker, chair of its Canada, Latin America and U.S. Western region operations, to help create "an environment in which women are able to succeed at the senior most levels of Edelman." Becker has created an internal task force called the Global Women Executive Network, and more than 250 women have signed up.

FENTON TO OPEN N.Y. STUDIO

Progressive PR firm Fenton has launched Fenton Studios, a division aimed to create broadcast-quality video content.

A physical studio space is slated to open in October in New York's Film Center building.

Services include content development, interviews, panels, short-form documentaries, info-graphics, animation, annual reports, advertising, and social games, among other tasks.

NEW ACCOUNTS

New York Area

Coyne PR, Parsippany, N.J./Playmates Toys, for its charitable doll line and fashion brand Hearts for Hearts Girls, including traditional and social media relations, a trade show and industry award campaign, and holiday campaign support. The Playmates push also includes work for the re-launch of its Teenage Mutant Ninja Turtles brand.



BPCM, New York/Krug Champagne, as AOR for all media and digital outreach, as well as event programming and execution; The Luxury Collection Hotels and Resorts, for North America and global; Le Meridian Hotels and Resorts, for North America, and designer Jenni Kayne, for North American PR. The firm's London office added fashion brand Helmut Lang.

Deussen Global Communications, New York/Halter Ranch Vineyard (Paso Robles, Calif.) and Vineyard & Winery Management Group (Santa Rosa), for strategic marketing and PR campaigns in the U.S.

East

The Glover Park Group, Washington, D.C./Textron Systems Corp., defense contractor, for legislative and public affairs counsel.

Southeast

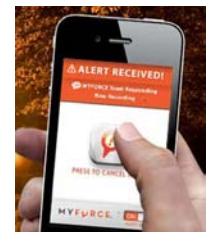
Turnkey Communications & PR, Tamarac, Fla./Bimini Sands Resort & Marina (Bahamas), for PR.

TransMedia Group, Boca Raton, Fla./Child Group Wealth Management, financial services, to publicize its history and expertise in the sector.

Midwest

Susan Pringle Communications, Milwaukee/Big Bay Brewing Co., for PR for its new Long Weekend India Pale Ale.

Lola Red PR, Minneapolis/MyForce, personal security service accessed through a smartphone app, for PR.



Mountain West

SOAR Communications, Salt Lake City/Bicycle Leadership Conference; Gyrobike, Sea Otter Classic; Taiwan Trade, and and Vittoria Cycling Shoes, for PR, marketing comms. and digital work.

West

Formula, San Diego/Shure Incorporated, manufacturer of microphones and audio electronics, as AOR for PR following a competitive review. Work includes media relations, social media strategy, awards program and trade show support.

International

Ogilvy PR Worldwide, Beijing/Caterpillar, heavy equipment manufacturer, for corporate branding work for its China operation targeting government, partners and stakeholders. OgilvyAction leads an intergrated communication campaign.

— Greg Hazley

NEWS OF SERVICES

VMS LIABILITIES TOP \$8M

VMS, the video monitoring giant that surprised the PR industry when it shut down last week, filed for Chapter 7 bankruptcy protection in federal court Aug. 31, listing nearly \$17M in assets and liabilities of more than \$8M.

The company generated \$50.3M in revenue in 2009, \$47.5M in 2010 and \$26.7M through July 31, 2011, according to its 541-page filing (PDF).

Hundreds of unsecured creditors are listed in the filing with the U.S. Bankruptcy Court for the Southern District of New York. Capitol One, which cut off financing to the company last week precipitating its shutdown, is the company's largest secured creditor with \$5.6M owed, according to the filing.

Unsecured creditors, which the filing indicates will not likely be paid, include health plan provider Horizon Blue Cross/Blue Shield (\$174K), advertising tracking software provider Evaliant/Kantar Media (\$186K), Nielsen Media Research (\$144K), data center company Peak 10 XodiAx (\$206K), IT consulting firm Scandent Group (\$201K), PR services provider TEK Group International (\$124K), Cisco Systems (\$92K), Clear Channel Management (\$109K), FedEx (\$50K), and several PR firms like Ketchum (\$10K).

VMS also lists 97 pages of contracts not yet fulfilled, ranging from APCO Worldwide to the Zoological Society of San Diego.

VMS said among its \$17M in assets are accounts receivable totaling \$6.4M, with another \$9.7M in office equipment and supplies.

Among top executive compensation outlined in the filing were CEO David Stephens' pay of \$269K from October 2010 through August 2011, chief information officer Gary Louw, who earned \$260K, and professional services division president James Waggoner, who took home \$192K during that period.

VMS's board of directors, including Robert Waggoner, Frederick Wynne, and Sandra Wynne, signed off on the bankruptcy after a meeting Aug. 24. Law firm Cole, Schotz, Meisel, Forman & Leonard, and financial advisory firm J.H. Cohn are working the bankruptcy for VMS.

PR EVENT: Philadelphia, Sun., Sep. 18-20, IPR-PRSA **9th Annual North American summit on PR Measurement.** Considered by some to be one of the world's leading annual conferences about research, measurement and evaluation in communications and public relations. Lectures, case studies and interactive discussions are led by noted measurement experts on innovations, methodologies and best practices. Info and registration: <http://odwpr.us/ofdZG1>.

United States Bankruptcy Court Southern District of New York	
Name of Debtor (If individual, enter Last, First, Middle): Video Monitoring Services of America, LP	Na
All Other Names used by the Debtor in the last 8 years include married, maiden, and trade names):	All (in)
Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (more than one, state all): 13-3889971	La /I /E
Street Address of Debtor (No. and Street, City, and State): 1500 Broadway, 6th Floor New York, NY	St r
County of Residence or of the Principal Place of Business: New York	Co
ZIP Code 10036	

PEOPLE

GROUPON PR CHIEF OUT

Bradford Williams, who recently joined the IPO-bound social deals giant Groupon as VP of global communications, has left the company after less than three months.

Julie Mossler, director of communications, confirmed to O'Dwyer's that Williams is no longer with the company. Mossler said Groupon is now looking to fill the VP role as she oversees U.S. PR and director Heather Dickinson handles international communications.

Williams, a corporate PR veteran of Verisign, Yahoo and eBay, moved to Groupon in early June after the company filed for an initial public offering valuing it at around \$30B.

Scrutiny of the company's accounting and a rise in competition have turned up a PR spotlight on Groupon since then.

Williams' exit was first mentioned on Twitter by Kara Swisher and reported by *Business Insider*.

The company's PR team works with Brunswick Group and SS|PR.

Joined

Catherine Falcetti, an 11-year MS&L Group veteran, to **GCI Health**, as a senior VP. She handles pharma clients in the specialized, blockbuster and OTC drug categories. Also, **Julie Fleisher**, VP of corporate communications, Ruder Finn, and **Robyn Leventhal**, former VP at MS&L, joins as VPs.

Randi Berris, 14-year reporter for the Associated Press, to The Quell Group, Troy, Mich., as director of editorial services. She was Michigan news editor for the AP for a decade and earlier worked in TV and radio news.

Kara Doran and **Kate Haranis** to Rasky Baerlein Strategic Communications, Boston, as A/Es in the firm's energy and environment unit. Doran was an A/E at the Rendon Group, while Haranis was associate director, parent leadership giving, for Emerson College.

Tracy Blinder-Gurrisi, group manager, Lippe Taylor, to Jones Public Affairs, Cambridge, Mass., as an A/D. She oversaw LT's health division and earlier was at Solomon McCown and Brodeur Worldwide.

Clio Rourke, previously with Scholz & Friends Berlin Agenda, and **Ashley Albano**, a former intern, to The Castle Group, Boston, as assistant A/E, and A/C, respectively.

Amelia Lacker, marketing/PR manager, Sageworks, to French/West/Vaughan, Raleigh, as an A/E for corporate crisis and public affairs accounts. **Alex Barbour** and **Lauren Bristol**, former interns, were hired as A/Cs.

Promoted

Matt Davis, to VP of global government affairs and public affairs, The Dow Chemical Company, Midland, Mich. He joined in 1987 out of college.

David Gallagher, senior partner/president of Ketchum Pleon in Europe, to CEO of Ketchum/Europe, continuing as chairman of its London operation. He succeeds Timo Sieg, who is departing at yearend.



Gallagher

PUBLICIS' LEVY: TAX THE RICH

Maurice Levy, the CEO of Publicis, echoed billionaire Warren Buffet's recent call for increased taxes on the wealthy with his own plea for the most privileged members of French and European society to "take up a heavier share" in taxes.

"I am not a masochist; I do not love taxes," Levy wrote in an op-ed to the *Financial Times*. "But right now this is important and just."

Levy said dismal economic talk is "intolerable" noting he has run Publicis for 23 years and is accustomed to "tough competition and downturns," adding, "but I cannot simply accept decline."



Levy

While he acknowledged the "social model" of Western Europe is not sustainable, Levy said those countries have the assets to thrive if reforms take place.

"Cuts in public spending will be painful and, unfortunately, of necessity much will be borne by the programs' target populations: the middle class and less favored people," he wrote. "It seems to me only fair that the most privileged members of our society should take up a heavier share of this national burden."

Levy said he started to write on the issue as Buffet published his much-discussed piece, "Stop Coddling the Super Rich," in the *New York Times* on Aug. 14. The advertising and PR chief said he did not speak with Buffet on the subject.

"Perhaps even more surprisingly, a number of US business leaders joined his campaign; and in France, a number joined my call," wrote Levy. "So perhaps the tide has changed, as the wailing pundits claimed; but perhaps the new cycle will not be one of decline but of clear-thinking and solidarity."

REYNOLDS REPS BUFFALO

Former western New York Rep. Tom Reynolds has signed on as lobbyist for hard-pressed city of Buffalo, handling issue and regulatory advocacy and legislative monitoring on both the federal and state levels.

He represented the 26th Congressional district, which ranges from suburban Buffalo to outer Rochester, for five terms, stepping down in 2008.

Reynolds chaired the National Republican Congressional Committee from 2003-06, a period marked by the House page scandal and Republicans losing control of the House.

Currently, Reynolds is senior strategic policy advisor in Nixon Peabody's government relations and public policy unit.

He also picked up First Niagara Financial Group, the Buffalo-based bank that has more than \$30B in assets, as a client.

Reynolds handles both accounts with Sally Vastola, who was his Congressional chief of staff.



Reynolds

DUKAN DIET SEEKS TO FATTEN UP ITS PR

Diet Coaching Inc., the U.S. and Canadian entity, that promotes the Dukan diet's personalized online coaching service and runs the dukandiet.com website is looking to a PR firm.

There's also an e-commerce portal to buy products for the Dukan diet and another one for oat bran, the diet's cornerstone.

The high protein and low fat diet created by Dr. Pierre Dukan more than 35 years ago is the No. 1 diet in France and was rolled into the U.S. in April with the publication of "The Dukan Diet," the book rose to the top of the *New York Times* best-seller list.

The March 16 NYT noted that the Dukan diet has "become so central to French culture that almost any public figure who has lost a lot of weight is labeled by the media as a Dukanniste." The British press reported the Carole Middleton used the Dukan diet to slim down before the royal wedding of her daughter Kate and Prince William.

DCI's RFP notes that the U.S. diet industry "is highly competitive – and as a new entry we are to the marketplace we need to become a household name. We also need to continually work to overcome the comparisons to Atkins."

The NYT headline read "Warmed-Over Atkins? Don't Tell the French."

DCI is looking for press release development/distribution, media relations, marketing/event support, social media, word-of-mouth and outreach to both the medical establishment and *Fortune* 500 companies to offer Dukan packages to workers.

Dianna Antlocer, DCI's head of integrated marketing, is fielding inquiries at dianna.antlocer [at] dukandiet [dpt] com and 646/545-5250 ex. 300.

The deadline for RFP responses is Sept. 9 and presentations are set for Sept. 28-30.

IPG TAPS HUDSON FOR BOARD

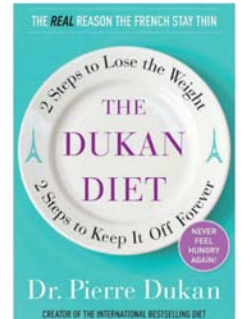
Interpublic has named Dawn Hudson, vice chair of the Parthenon Group and former president of Pepsi-Cola North America to its board of directors.

Hudson also served as Pepsi's senior VP/strategy and marketing, where she launched its "Joy of Cola" campaign and forged the tie-in with "Star Wars, Episode I - The Phantom Menace." She joined Pepsi from its sister company, Frito Lay.

Earlier, Hudson spent 13 years in marketing, advertising and branding at DMB&B and Omnicom. She serves on the board of Lowe's, Allergan and chairs the LPGA.

Interpublic notes Hudson's election creates a board that is 40 percent female, a percentage that is matched by only five other Fortune 500 companies.

Hudson joins Jill Considine, Butterfield Fulcrum Group chairman; Mary Steele Guilfoile, MG Advisors chairman, and Jocelyn Carter-Miller, TechEdVentures president, on the ad/PR combine's board.



PR OPINION

The Gallup poll released last week (pg. 4) showed that the ad/PR sector, already a low 38% in the public's estimation in 2001, has slipped further to 32%.

Only nine sectors have a lower positive rating including the airline industry, education, legal field, banking and real estate (of course!), healthcare, oil & gas and the federal government.

The banks, which have escaped much retribution although touching off the four-year recession, are just getting their comeuppance with the filing of lawsuits against 17 financial institutions by the federal government last week.

Fifteen sectors have a higher Gallup rating including computers, the restaurant industry, internet, farming, grocery industry, retail and travel industries.

Echo of PRSA's 1999 Poll

The latest Gallup findings are an echo of the results of a \$150K study completed in 1999 for the PRSA and Rockefeller Foundations.

Placing 43 on a list of 45 "believable sources of information" was "public relations specialist."

The Society, which never held a press conference on this three-year study and reneged on a promise to do a follow-up study, disappointing professors from Duke, Columbia and other institutions, collapsed into itself instead of attacking the problem head-on.

Tactics of PRS buried the story on an inside page and did not print the table. When we discovered the study via an item in the *Washington Times* and started asking questions, the 1999 board headed by Sam Waltz said we were taking up too much time of staffers and "blackballed" the O'Dwyer Co., refusing to deal with us or answer any questions.

A member then charged the board with violation of five articles in the Code and demanded a hearing by a judicial panel.

Instead, the Society, on advice of Ethics chair Bob Frause of Seattle, declared the Code unenforceable and kaput. A new Code with no enforcement provisions was created at a cost of \$197K.

What Can Be Done Now?

The poor image of ad/PR is not something that is attracting the best students. Almost in as much trouble is publishing which was ninth from the top of the list with a 38% positive vote.

Students who are majoring in PR, communications and journalism should heed the advice of Richard Sine, formerly with the *Philadelphia Inquirer*.

Studying business journalism on a fellowship, he found fellow students to be "timid, desultory and aimless," taking up topics such as media history, communication theory and journalism philosophy.

But he found the business school students to be "passionate, driven and excited about their futures."

With so few J jobs around, students might as well study "blacksmithing, bloodletting or steamship design," he wrote.

Only the "financially illiterate" go to J-schools

which are built on the backs of starry-eyed naifs," he added.

We feel the same about PR and communications majors. A few courses may be O.K. but students would be far better off taking the hardest possible courses and learning how to think.

Students Need Quark, Web-Building Skills

We met a number of communications majors this summer working at various jobs in the Hamptons. None of them has learned how to use software like QuarkExpress or Adobe InDesign which are needed for publication and web design. The full Quark costs around \$1,500 while InDesign is less. None of the students has learned how to create and maintain a website.

They have spent many tens of thousands of dollars studying subjects like those mentioned by Sine when they could have been studying history, economics, math, literature, etc.

Students are almost completely ignorant of the PR trade press and current pressures on PR pros. They know the PR job market is tight but have received no training in being entrepreneurs.

We tell them they should contact businesses in their hometowns and offer to be helpful on any task.

Deal with the owners of the businesses and find out their real problems, is our advice (taken from Ben Sonnenberg, probably the richest PR person in the 1950's/60's). We don't know of any other PR exec who owned a 12-story townhouse on Gramercy Park packed with valuable art objects. His life should be a textbook of every PR student but we have never found one who heard of him.

VMS Demise a Shocker

The demise of VMS (Video Monitoring Service) is a shocker and something that all PR/communications students should be aware of. It illustrates the powerful forces at work in PR and how the crucial service of media-monitoring has been affected.

Much of what business wants from social media is monitoring—an early warning system of things that might be wrong with a company's products or marketing efforts.

Keeping track of the Tower of Babel that is SM has helped PR to grow during a period of economic stagnation. Forty-seven of the 150 PR firms ranked by O'Dwyer's for 2010 had double-figure gains including 12 of the 25 biggest. The main reason for the growth, owners told this website, was increased monitoring activity. The promise of SM is "conversations" with interested parties which can result in lots of billable time.

Students and their professors should ponder how a company with \$47.5 million in revenues in 2010 can go belly up with liabilities of more than \$8M. Assets are \$6.4M in receivables and \$9.7M in office equipment and supplies. The largest creditor is owed \$5.6M. Hundreds of unsecured creditors are listed in the bankruptcy filing. Employees were paid through last week but did not get severance pay or ongoing health benefits. — Jack O'Dwyer