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O'Dwyer's Newsletter

The Inside News of
PR and Marketing
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INVEST ATLANTA REVIEWS PR

Invest Atlanta, the economic development engine for that city, has kicked off a search for a firm to create a strategic comms. plan and manage its overall PR.

The economic development entity, which sent out an RFP to select agencies but is inviting pitches in an open process, previously worked with Finn Partners and Wilbert News Strategies.

The work covers comms. planning, events, spokesperson training, and securing media coverage, among other tasks.

IA is collecting proposals through Feb. 25.

H+K HOOKS EPA'S BLOOMGREN

David Bloomgren, senior advisor to Environmental Protection Agency chief Gina McCarthy, will join Hill+Knowlton Strategies on Feb. 24 as senior VP.

He'll tackle energy and environmental issues in the Washington office of the WPP property.

Bloomgren first joined the EPA in 2004 after a two-year stint as senior account supervisor at Edelman. He was communications director at the George W. Bush administration's EPA's Office of Air and Radiation for three years before returning to the No. 1 independent shop in 2002 as senior VP.

In 2010, Bloomgren rejoined the EPA as communications director.

Howard Opinsky, JPMorgan Chase, Weber Shandwick and John McCain for President national press secretary alum, heads H+K's D.C. outpost and its U.S. PA operation.

AAPS SEEKS PR PRESCRIPTION

The American Association of Pharmaceutical Scientists has kicked off a search for PR, social media and media outreach support for its annual meeting and expo in November.

The 11,000-member group slates the confab for the San Diego Convention Center Nov. 2-6. It has an RFP open through March to position AAPS as a leading authority on pharmaceutical science and promote presented research, leadership and staff. Media relations, PR, social, crisis communications and speechwriting are among tasks.

Budget is \$80K for work starting in July. RFP copies can be obtained from Stacy May (MayS@aaps.org).



FTI COMMS. REVENUE FALLS 6.8% IN Q4

FTI Consulting's strategic communications revenue fell 6.8% in the fourth quarter of 2013 to \$46.9M on weaker business in the EMEA and North America regions.

Across its business units, the West Palm Beach-based consulting group said Q4 revenues climbed 4.2% to \$416M, while net loss narrowed to \$10.6M from nearly \$36M a year earlier.

The quarter was buoyed by economic consulting (+12.9% to \$108.1M), forensic and litigation consulting (+18% to \$114.7M) and technology (+12.6% to \$53.6M) operations.

Corporate finance and restructuring fell 14.5% to \$92.8M.

FTI said it ended the quarter with 590 revenue-generating staffers in its communications operation. For the year, that unit declined .8% to \$186.2M.

The company said reduced pass-through revenues and project revenues in EMEA and North America impacted the quarter on the PR front.

Amid a strategic review, FTI declined to provide guidance for the full year but forecast Q1 2014 revenue between \$410M and \$425M.

The company expects strategic communications revenue to be down in "mid-single digit percentages" in Q1 due to continued challenging capital markets activity and pricing pressure.

HTC HIRES GOLINHARRIS

HTC America has hired GolinHarris for technology and consumer engagement work after a competitive pitch launched late last year.

The Bellevue, WA-based operation is part of the struggling smartphone maker that has been hit with declining sales and pressure from cut-rate Chinese competitors.

Bloomberg reported that HTC plans to make noise this week at the Mobile World Conference in Barcelona by unveiling three wearable devices.

That will pit HTC against Samsung and Sony in the market that is projected to triple by 2018.

Tim Harlin, HTC America PR director, said he gave the PR job to the Interpublic unit due to its "history of building brands into household names."

Lisa Falcetti is executive director of GH's global technology practice.



EDELMAN, CATALYST SUIT UP UNDER ARMOUR

Edelman and Catalyst are providing “behind-the-scenes” PR counsel for Under Armour, Diane Pelkey, VP-global communications and entertainment, told O’Dwyer’s.

She said UA’s internal PR staff is handling the bulk of the fallout, which follows the lousy performance of U.S. speedskaters in the Sochi Olympics.

Some American speedskaters blamed UA’s high-tech suits for their poor times and inability to medal.

The team switched to the UA suits that they wore during last month’s World Cup in Japan.

Pelkey, who says she runs point on all communications, strategy and statements, noted that many athletes who happily wear UA gear are perturbed with the controversy and reached out to the Baltimore-based marketer of performance footwear, apparel and accessories.

Endorsers such as Olympics gold medalists Lindsey Vonn, the injured skier who would have been the company’s biggest star at Sochi; swimmer Michael Phelps, along with Los Angeles Dodgers all-star Clayton Kershaw have taken to social media to praise UA.

The company recorded a 27 percent jump in revenues last year to \$2.3B and a 26 percent surge in net income to \$162.3M.

FWV Counsels U.S. Speedskating

French West Vaughan has been helping US Speedskating cope with the racing uniform disaster.

In fielding one of its best squads ever Team USA was projected to win ten medals through the first eight events, according to the Feb. 17 *New York Times*. No medals were won during those races, which included an eighth place finish by two-time 1,000 meter gold medal winner Shani Davis.

The *Wall Street Journal* (Feb. 18) ran a piece called “Sochi Olympics: How a Big Bet on Racing Suits Left US Speedskaters in the Cold.”

Rich French told O’Dwyer’s while his firm does not represent UA, his staff has worked with its “marketing and PR team on the roll-out of the new suit and the joint response with USS and UA’s management on the performance of the suit [this month] prior to the switch to an older UA speedskating suit.”

He noted FWV handled the rollout of Speedo’s and Arena’s revolutionary swimsuits before the Beijing and London Games, respectively.

In both instances, competitors asked their national governing bodies to switch to the high-tech suits “which was good for Speedo and Arena, but somewhat neutralized the technology advantage its sponsored athletes hoped to gain.”

Vaughan also noted that the Americans didn’t improve their performances at the Games very much with the old suits.

During the past year, FWV has helped USS deal with organizational governance issues, transition to new leadership, allegations of tampering and a suspended coach’s training methods.

French speculated that those distractions might have hurt the speedskating team’s preparation for the Sochi Games.

SCHOOL DISTRICT IN LUNCH FLAP MULLS PR

The Salt Lake City School District that drew global attention after an elementary school took away \$2 lunches from kids has run a closed RFP process to consider hiring a PR firm to tackle the fallout.

The lunches, which were thrown out, were taken from students because the district said some students were not up to date with payments to their lunch accounts. The move was widely panned as media jumped on the story. “There were a lot of tears,” one mother told CNN Jan. 30, “and it was pretty upsetting for them.”

The *Salt Lake Tribune* reported Feb. 19 that the district quietly released an RFP to seven potential PR vendors, setting the price at \$49,999, or one dollar shy of the threshold for the full board to approve. Vox Creative, a Salt Lake City PR and ad firm, was the top bidder and the board will decide March 4 whether to hire the shop. Board VP Heather Bennett told the paper that the lunch issue and others sparked the decision to hire a firm for the district, which has a single PR staffer.

The RFP was not posted to the district’s procurement site, nor was it mentioned at recent board meetings, the Tribune reported.

The district blamed miscommunication for the outrage from parents that ensued and eventually apologized for the lunch flap.

LANNY DAVIS BULKS UP CHINA BUS LOBBY

Crisis pro Lanny Davis, who represents Chinese electric bus maker BYD, has hired politically connected Kadesh & Assocs. to handle issues arising from its Lancaster, Cal.-manufacturing facility.

Mark Kadesh is Senator Diane Feinstein’s former chief of staff and campaign manager for her re-election in the Golden State. He also had the same post with ex-Congresswoman Jane Harman. Two other Feinstein alums—Warren Weinstein and Chris Kieerig—join him at K&A.

BYD is eager to move beyond a probe of its labor practices in California. The state’s Dept. of Industrial Relations dropped charges last month that BYD paid some workers salaries below the \$8 per-hour minimum wage in California.

BYD did pay a fine of less than \$2K for paying five staffers in Chinese currency rather than dollars.

The company, which is 10 percent-owned by Warren Buffett’s Berkshire-Hathaway has a \$12M contract to supply zero emissions buses to Long Beach’s Transit Authority.

JUST WORKS FOR RIGHTS IN BANGLADESH

Just Consulting represents Human Rights and Development in Bangladesh and its effort to promote human rights, rule of law and economic activity with worker dignity there.

The firm’s mission is to educate the U.S. government and American public about the current situation in Bangladesh. Bangladesh foreign secretary Shahidul Haque made the rounds of Washington on Feb. 20.

JC, which handles social justice issues, also works for rights organizations pressing for reforms in Egypt and Syria.

POST TO STOP RUNNING SCIENCE RELEASES

Following a report by MIT media critic Paul Raeburn, the *Washington Post* said it will stop running health and science press releases from universities on its website and in print.

Raeburn, who writes for Knight Science Journalism at MIT, criticized the practice in a Feb. 14 post, noting the paper, which identifies the source of the material, features the releases under the header "Study Hall."

Health & Science editor Pooh Shapiro said the months-old practice was "born out of frustration about how many interesting things are out there and how hard it is to get coverage."

She noted that outside of science and health policy, which Post reporters cover, there is little news in the categories from sources like the Associated Press.

Post spokeswoman Kristine Coratti followed up with Raeburn on Feb. 18 to say the paper is discontinuing the practice.

Raeburn, a former science editor for the Associated Press who penned the forthcoming book, "Do Fathers Matter?" praised the paper for responding quickly.

Raeburn's original post and case against the practice of running press releases is at <http://bit.ly/1ghAmNu>.

TAIBBI EXITS RS FOR MAG START-UP

The \$250M-backed First Look Media news start-up has tapped *Rolling Stone's* Matt Taibbi to launch a digital magazine.

First Look, backed by eBay founder Pierre Omidyar, launched its first publication, *The Intercept*, this month with journalists including Glenn Greenwald, Laura Poitras and Jeremy Scahill.

The Taibbi-led project has not yet been titled and will launch "later this year," FLM said, noting that the writer will "bring his trademark combination of reporting, analysis, humor and outrage to the ongoing financial crisis – and to the political machinery that makes it possible."

Eric Bates, executive editor at FLM, called Taibbi "one of the most influential journalists of our time."

Taibbi, who branded Goldman Sachs a "vampire squid" in an iconic 2009 financial crisis article, has been contributing editor at RS for 10 years and previously wrote for the *Moscow Times*.

"It's a new golden age for reporting and it's a real privilege to be part of this effort to create something innovative and lasting," he said.

Appearing on HuffPost Live on Feb. 20, Taibbi criticized journalists for not defending whistleblowers and for a lack of coverage of media surveillance.

"The only reason that the press isn't generally more outraged about it -- the only think I can think of is professional jealousy, there must be some of that," he said.

The writer also penned a "Thank you" note to *Rolling Stone* Feb. 20: "To be able to say you work for *Rolling Stone*, it's a feeling any journalist in his right mind should want to experience."



Taibbi

BLAIR WOOD SUSPECTED HACKER BROOKS

Former British prime minister Tony Blair offered his advisory expertise to Rebekah Brooks after news of the News Corp. hacking scandal gripped the U.K.

According to Feb. 19 testimony at the hacking trial, Blair via a one-hour phone conversation with Brooks said he was available to her, News Corp. CEO Rupert Murdoch, and his son, James, as an "unofficial advisor."

He offered representation on a "needs to be between us" basis.

The court heard that Blair counseled Brooks to "tough up" and refrain from making "rash short-term solutions."

He advised the former News of the World editor to "keep strong and take "sleeping pills."

Brooks sent an email to James Murdoch to outline the talk with Blair.

Prosecutor Andrew Edis read that document to the court as part of the U.K.'s government formal conclusion of its case against Brooks, who has declared her innocence.

COURT RULES FOR MILLS IN PR TAB SPAT

Heather Mills, the model and ex-wife of Paul McCartney, does not owe her former PR firm \$168K, a federal appeals court ruled Feb. 14.

The 9th Circuit Court of Appeals upheld a federal district court, which earlier ruled for Mills, who was accused of misrepresentation and fraud.

Paraplue, the Los Angeles PR firm of Michele Blanchard that represented Mills from 2005-08, was paid at a rate of \$5K-per month before agreeing to a reduced rate of \$3K starting around March 2007, when Mills said she couldn't afford the higher rate, according to the opinion by court.

After the client-firm relationship soured and Blanchard quit in July 2008 – after Mills' nearly \$49M divorce was settled – she sent Mills a final invoice of \$168K, representing the balance due on a \$5K/month billing rate.

Blanchard's firm sued, alleging Mills misrepresented her financial situation and falsely promised to pay the PR pro when Mills got the "big money," according to the court.

The court held that Paraplue did not produce enough evidence to force a trial over whether Mills lied about her ability to pay and whether a promise was made to pay the balance later.

The suit was originally filed in 2011.



Mills

DISNEY PRO TUNES INTO NBCU

Nidia Caceros Kilde, who directed communications at Walt Disney Co., has shifted to NBCUniversal Cable Entertainment for the VP-communications post.

She'll promote cable brands such as USA Networks.

At NBCUniversal Cable Entertainment, she also will be overseeing PR for the production unit headed by chief content officer Jeff Wachtel.

MEDIA NEWS**TIME INC. LAUNCHES ONLINE SPORTS NET**

Time Inc. slates the spring launch of 120 Sports, a 24-hour live streaming network that will offer original sports programming in two-minute bits.

The line-up will feature hosted shows, interactive narratives, game footage, analysis, talk and social commentary from players, coaches and fans.

TI's *Sports Illustrated* is teaming with content partners Major League Baseball, National Basketball Assn., National Hockey League, NASCAR and Campus Insiders to produce 120 Sports.

Production headquarters for 120 Sports will be in Oprah Winfrey's Harpo Studios in Chicago.

Todd Larsen, TI executive VP, promises the offering will be "an innovative and addictive product that will give sports fans an amazing amount of always-on-sports content and technology."

SI is expected to benefit by offering viewing fare that will complement its editorial coverage.

TI will be spun off from Time Warner during Q2.

SPOTIFY SINGS IPO TUNE

Spotify, the popular online music streaming company, is setting the stage for an initial public offering that could value the company at \$8B.

The company, on LinkedIn, is advertising a spot for an "external reporting specialist" who would be in charge of preparing Spotify for Security and Exchange Commission filing standards and setting up "all reports necessary to be SEC compliant."

A spokesperson told Reuters that Spotify is looking for executives skilled in financial reporting and able to maintain it up to global standards.

The company has 24M active users, compared to leader Pandora's 74M. Pandora's stock price tripled over the past year.

Spotify raised \$200M in funding in November. Its investors include Kleiner Perkins, Accel Partners, Goldman Sachs and Founders Fund.

The music streaming company's IPO would likely be held in 2015. Spotify joins other "hot" IPO candidates including AirBnB, and Square.

EX-WB BOSS MOVES TO MICROSOFT

Jordan Levin, who was CEO of WB Network, has joined Microsoft as executive VP at Xbox Entertainment Studios.

He was the brainpower behind WB's 1990s "hits" such as Dawson's Creek, Buffy the Vampire Slayer and Gilmore Girls.

At Xbox, Levin will spearhead creative efforts to develop scripted and unscripted original content for its game console and other platforms. He will report to Nancy Tellem, who is unit president.

Levin also founded Generate digital media company that was acquired two years ago by Alloy Digital

WBAI MOVES TO THE BRINK

WBAI, which has lost \$3M since 2004, has fired interim programming manager Robert Hennelly in the latest sign of upheaval at the left-of-center radio station in

New York. Hennelly, who took the post in December, is a long-time veteran of public radio station WNYC, which has an audience five times larger than WBAI's average listener base.

WBAI, which slashed 10 people from its 29-member staff during the summer, is a unit of the non-profit Pacifica Foundation owner of four other non-commercial and listener sponsored stations. The station has a yearly operating budget of \$2.5M. It kicked off a fund-raiser Feb. 3 to raise survival funds.

Berkeley-based Pacifica says it will either sell WBAI or lease its broadcast license if the station cannot meet its financial obligations.

BRUNSWICK ADVISES 'CANDY CRUSH' IPO

King Digital Entertainment, the Dublin-based game maker behind the smash hit "Candy Crush Saga," is relying on Brunswick Group for PR counsel as it pursues an initial public offering.

King, which operations in London and Mountain View, Calif., filed Feb. 18 for the IPO.

The 11-year-old company claims 128M daily active users, mostly via mobile devices. In addition to Candy Crush Saga, King's top games include "Pet Rescue Saga," "Farm Heroes Saga" and "Papa Pear Saga."

King, which listed a proposed offering price of \$500M, said revenue exploded from \$22M in Q1 of 2012 to \$602M in Q4 of 2013 as it swung from a loss in 2011 to a \$568M profit in 2013.

Susannah Clark is senior director of global communications for King, based in London.

SKDK AIDS SUPREME COURT CAMERA PUSH

SKDKnickerbocker is guiding PR for the Coalition for Court Transparency, a coalition of journalism, media and open government entities pushing for TV cameras in the U.S. Supreme Court.

The Washington-based group launched last week with an ad buy and PR push urging to Court to allow C-SPAN or other entities to broadcast oral arguments. That includes a petition to Chief Justice John Roberts to "make the court more accessible" by allowing video footage.

The coalition includes the National Association of Broadcasters, National Press Foundation, the Constitutional Accountability Center and Radio Television Digital News Assn. They argue that the court's limited seating – 400 slots – and long wait time for cases with broad public interest, as well as the payment of "line-standers," are among reasons to open up the Court's workings to cameras.

"The American people, regardless of where they live, deserve to see the fullness of Supreme Court arguments in real time," said CAC president Doug Kendall, who noted that the Court limits access to the audio of arguments it releases, as well.

Gabe Roth, an SKDK VP, is handling the coalition.



NEWS OF PR FIRMS

DIAMOND BUFFS CURACAO

The Curacao Tourist Board has awarded its PR duties to Diamond Public Relations following a competitive pitch. Hill+Knowlton Strategies was the incumbent shop.

Andre Rojer, CTB's North American marketing manager, said the Caribbean island wanted a shop to position Curacao "beyond its comfort zone and create attention grabbing campaigns" to increase awareness in the U.S. and Canada.

Besides its 35 beaches, Curacao boasts of diverse cultures, European architecture, world-class restaurants and a capital city, Willemstad, that is rated as a UNESCO World Heritage site.

Located 40 miles off the coast of Venezuela, the Dutch property is located on the outer fringe of the hurricane belt.

The founders of the Miami-based firm, Jody Diamond and Kara Rosner have previous experience working with Curacao and its various hotels.

MDC PICKS UP PROXY FIRM

MDC Partners has acquired a majority stake in Kingsdale Shareholder Services, a corporate communications/proxy solicitation firm in Toronto, in a move to cash in on increased stockholder activism.

The deal is worth \$50M plus a payment contingent on Kingsdale's performance, according to the *New York Times*.

MDC CEO Miles Nadal cited "activist shareholder momentum and the amount of change in the regulatory environment" as reasons for the acquisition of a controlling stake in the company founded and headed by Wes Hall, a veteran of Georgeson and CanWest Global Communications.

He sees a rise in the demand for financial communication and proxy solicitation work "growing on an ongoing basis."

Kingsdale has been involved in some of Canada's biggest deals including BHP Billiton's \$38.5B play for Potash Corp., Xstrata PLC's \$19B bid for Falconbridge, CVRD's \$19B for Inco Ltd. and Petro-Canada's merger with Suncor Energy Inc.

Nadal believes Kingsdale, which is Canada's top proxy firm, is ripe for expansion south of the border.

The firm offers investor relations, transaction communications (mergers & acquisitions and proxy fight communications) and crisis communications capabilities.

Its specialized proxy solicitation unit offers information agent, depositary, governance advisory, proxy analytics and asset reclamation.

BRIEF: Comcast is working with longtime firm **Abernathy MacGregor Group** in its proposed \$45B acquisition of **Time Warner Cable**. TWC is counseled by **Sard Verbinnen & Co.** Comcast's communications chief, Adam Miller, is a former president of Abernathy MacGregor. TWC has worked with Sard Verbinnen in the past, including when speculation of an acquisition by Charter Communications swirled earlier this year.

NEW ACCOUNTS

New York Area

Current, New York/Marriott International, as AOR for its Renaissance Hotels operation, following a review. Alison Brod PR had the account.

5W PR, New York/Lance, sandwich cracker and cookie brand of Snyder's-Lance, for consumer PR focused on new product lines and activations.

Bob Gold & Associates, New York/SEMrush, data provider for competitive and keyword research, for U.S. communications.

Tartaglia Communications, New York/Gordon and Betty Moore Foundation, charitable entity of Intel co-founder Gordon Moore and his wife, for PR for its science program.

East

PAN Communications, Boston/Carbonite, publicly traded provider of backup and recovery solutions, as AOR for PR focused on its shift to the small to mid-sized business market.

Southeast

InGear PR, Pembroke Pines, Fla./D&M Professional, audio and video under the Denon Professional and Marantz Professional product lines, for PR.

Simply the Best, Boca Raton, Fla./Swazy Styles, hip hop producer and recording artist, for PR.

South

Lovell Communications, Nashville/Goco Center for Aesthetics, plastic surgery; Hall Capital, Oklahoma City private equity firm; Healthcare Realty Trust, real estate investment trust; Lincor Solutions, patient engagement technology for hospitals and health systems; MedHost, software and services for hospitals, and Sevan Multi-Site Solutions, construction program management, for PR.

Midwest

Kohnstamm, St. Paul, Minn./Angie's, popcorn, as AOR for PR; The Honest Kitchen, pet foods, treats and supplements, for PR and social media counsel; Enray, an organic, gluten-free grain products unit of J.M. Smucker Company mostly sold as TruRoots; It's-Fresh, food freshness solutions, to promote its ethylene-removal technology, and Step One foods, for PR for its products designed to prevent heart disease and lower reliance on prescription drugs.

West

The Cline Group, Bala Cynwyd, Pa./VapeXhale, vaporizer maker; Foundersuite, start-up management software; INE Ventures, Israel venture capital firm; Stayful, independent and boutique hotel booking engine; Kido'z (Israel) tablet and app maker for kids, and Tomodo (Israel), website viewing modification tool, for integrated comms.

Morgan Marketing and PR, Irvine, Calif./Juice It Up!, juice bar chain, as AOR for PR, following a competitive RFP process. The account includes strategic comms. to support the brand's growth initiatives and promoting a mission to deliver premium-quality raw juice blends and smoothies.

International

Moonlight Media, London/NanoSpeed, for PR and marketing in the U.S., Europe and Asia.

NEWS OF SERVICES**BW PULLS PLUG ON HIGH-SPEED TRADERS**

Business Wire, responding to a Feb. 7 *Wall Street Journal* report about high-frequency traders exploiting its news feed, said it will stop licensing direct feeds to those trading firms.

CEO and chair Cathy Baron Tamraz said the company consulted with Warren Buffett, chairman of BW parent Berkshire Hathaway and a high-speed trading critic, to make the decision. She stressed that the company did not give a time advantage to the high-speed traders. "However, in discussions that have taken place with a few of our clients, we learned that the article may have caused some misperceptions, and that was of deep concern to us," she said, stressing BW's concern about its reputation.

New York Attorney General Eric Schneiderman, who has been campaigning against high-frequency trading, hailed BW's move. "Business Wire's decision to voluntarily step forward and stop selling its clients' information directly to high-speed traders is a tremendous victory for our effort to eliminate advance trading on market-moving information and a demonstration of Business Wire's commitment to being a responsible industry leader," he said Feb. 20.

The Journal report focused on BW and Marketwired in highlighting how high-speed traders take advantage of newswire data to get a leg up on "less fleet-footed investors."

BW initially responded to the WSJ piece by defending its policies and stressed that traders were "gaming the system."

Nanex, the company whose research preceded the WSJ piece, said a problem still exists at the close of trading. "Just because Business Wire has stopped this practice, doesn't solve the problem," founder Eric Hunsader told the *Financial Times* today, noting trades "bleed over" for nearly a second after the market closes. "The best solution is to require earnings to not be released until one minute after 4pm."

MAHER'S CONWAY TO HEYMAN

Julie Conway, director of talent acquisition, Marina Maher Communications, has returned to Heyman Associates as a director for the executive search firm.

She previously worked for the firm out of college in 2000.

Heyman said Cowy will focus on new avenues in corporate communications like digital and social, as well as its long-standing client relationships.

GOP POLLSTER OPENS AXIS

Veteran GOP pollster Brenda Wigger Gianiny has launched AXIS Research in Alexandria, Va., to handle public opinion services like phone polling, web research, focus group studies, and ad testing.

Clients include domestic and international corporations, trade associations, issue advocacy coalitions and political candidates.

Gianiny was recently senior VP at D.C.-based Voter/Consumer Research Inc. She worked for the George W. Bush White House and re-election.

PEOPLE**Joined**

Steve Janisse, independent consultant, to PMK*BNC, Los Angeles, as senior VP of brand communications. He was GM of PR for Porsche Cars North America and handled Saturn and Chevrolet in stints at General Motors. Earlier posts included Saab and Jack Morton Worldwide.

**Janisse**

Mary Kate Kim, director, Dukas PR, to Capital One, New York, as communications manager. Kim, who led Dukas' asset management practice, was previously RFP associate at AllianceBernstein and did stints at Brainerd Communicators and Richard Lewis Communications.

Gianna Santi, marketing manager, smplsolutions, to Morgan Marketing and Public Relations, Irvine, Calif., as an A/E.

Jeremy Story, who founded Story + Welch and was a VP at Weber Shandwick, to GroundFloor Media, Denver, as a VP. The firm has also promoted Jim Licko and Gil Rudawsky to VPs.

Angela Smith, senior marketing lead, Runzheimer International, to MorganMyers, Waukesha, Wisc., as a senior associate. **Toby Welch** joins to handle volunteer coordination and management for clients.

**Smith**

Miranda Spinner, dir. of marketing and PR, GWIZ Science and Technology Center, to Grapevine Communications, Sarasota, Fla., as PR and media manager. She is a former news/sports reporter for WCBI-TV. **Mary Everist** joins as an A/C.

Barkha Patel-Zinzuwadia, SVP & head of the APAC technology practice at Weber Shandwick, to Burson-Marsteller, Singapore, as market leader for the country under APAC regional chair Patrick Ford.

Promoted

Sabrina Steele to executive director of corporate communications and public affairs, The Aerospace Corp., El Segundo-based non-profit which operates a federal R&D center.

Cessie Cerrato, to PR director, Palace Resorts, Miami. Palace includes seven oceanfront resorts on the Caribbean Sea.

Dave Payne to VP, client services, Fetching Communications, Tampa. He joined in 2011.

Jeff Speer to senior VP and **Elizabeth Musson** to VP, ReviveHealth, Nashville. Speer joined in 2010 from Porter Novelli, while Musson (2009) joined from Davies.

Lisa Inouye and **Mila Salahuddin** to senior account managers, PMBC Group, Los Angeles. Inouye handles Hang w/, a celebrity-driven mobile app for live broadcasting, and Momentage, a fast-growing stylish photo- and video-sharing app, among others. Salahuddin oversees healthcare, design and professional services accounts Hilton & Hyland premier real estate firm and Reimage cancer care and support network.

Brian Bleau to senior A/E, The Quell Group, Troy, Mich. He joined in 2011.

OMNICOM SUES ACTIVIST SHAREHOLDER

Omnicom has sued activist shareholder John Chevedden in federal court to exclude a governance proposal from the advertising and PR conglomerate's 2014 annual meeting.

The California-based investor has been targeted with suits by several corporate law firms across the country as he fires off scores of shareholder proposals per year. Chevedden, who says he holds stock in about 80 companies, has been sued four times in the last two months, including the Omnicom suit filed in January. His proposal for OMC would implement confidential voting for management-backed matters like executive pay, bylaw changes and shareholder resolutions. Chevedden says it would improve governance and would mean that executives and management would not see the outcome of proxy votes on those matters before the company's annual meeting.

OMC, represented by Latham & Watkins, one of the firms that has handled suits against Chevedden, is arguing that the proposal would violate New York law and is "so vague and indefinite (and at times false and misleading) that neither the shareholders asked to vote on it nor the company asked to implement it can understand what actions it would require or prohibit," according to its complaint.

Chevedden, who has criticized high pay for Omnicom brass, including CEO John Wren's \$42M+ total pay, believes management can currently monitor voting results to influence the outcome on matters in which they have a personal stake, like stock options and other pay. He also believes Omnicom's board is too entrenched.

Omnicom's annual meeting is set for May 20. It has asked the court to issue a declaratory judgment by April 1 to hold that the company doesn't have to include Chevedden's proposal in its proxy statement.

Chevedden, who is representing himself in the suit, has asked the court to dismiss the complaint.

The investor estimates a 20-30% success rate for the more than 1,000 proposals he has offered.

MDC Q4 REVENUES, LOSS UP

MDC Partners reported a 4.9 percent rise in Q4 revenues to \$307M on a widened net loss of \$92M.

CEO Miles Nadal said the quarter "capped another year of exceptionally strong performance" for the parent of Kwitken & Co., Allison + Partners and Sloan & Co.

He said MDC strengthened its balance sheet, reduced borrowing costs and improved flexibility to use capital to benefit shareholders.

MDC posted a five percent uptick in organic growth and \$25M in net new business during the past year.

Comparable full-year figures are 8.3 percent and \$132.5M, respectively.

MDC bolstered its dividend 12.5 percent payable March 18 to shareholders of record as of March 4 because Nadal believes "our growth profile is as strong as it's ever been."

The ad/PR company projects a seven-to-nine percent boost in revenues for full year 2014.

SENATOR WANTS PROBE OF LABOR PR PACT

Sen. Tom Coburn has asked the inspector general of the U.S. Dept. of Labor to probe "wasteful spending," including a six-figure PR pact with a Maryland firm to promote a book club for the department's centennial.

In a letter to Labor IG, the Oklahoma Republican cited a *National Review* article – "Wasteful High Jinks at the Labor Department," Feb. 6 – that highlighted a \$100K PR pact with Concepts Communications to promote a book club led by Carl Fillichio, senior adviser for PA and communications and chairman of the centennial program.

"Most disturbing, is the allegation that the Department hired an outside public relations firm to promote this book club," Coburn wrote in a letter released to the *Daily Caller*.

The Labor Dept. ran a "Books that Shaped Work in America" campaign last year, an online push highlighting books recommended by current and former agency staffers and asking for suggestions from the public.

Fillichio told the NR that the club is a "terrific way for the American public to learn about not only the history of the department but the resources available from the department for the general public."

Bethesda, Md.-based Concepts has handled several government accounts, including the Depts. of Labor, Defense, Justice and Environmental Protection Agency, among others. Founder Karen Herson has not yet been reached.

ANDREWS DOES ECODEV FOR MONTSERRAT

Montserrat, the British territory in the Caribbean, has hired Cheryl Andrews Marketing for PR and economic development.

The Coral Gables, Fla.-based firm represented Montserrat's tourism push from 2005 through 2011. The Montserrat Development Board was reconstituted in 2012 with a focus on investments.

The RFP won by CAM was released in November with an emphasis on investor relations, events, promotions, digital services, and media relations.

Tragedy struck Montserrat in 1989 as Hurricane Hugo slammed it, damaging 90 percent of its buildings.

A long-dormant volcano erupted in 1995 to destroy the capital city of Plymouth. Two-thirds of the population fled. More volcano activity in 2010 buried the island's airport. An "exclusion zone" covers the southern portion of the island, which bans visitors without a police permit due to volcanic activity.

There is a master plan to redevelop Montserrat, which is located in the Leeward Islands part of the Lesser Antilles chain. That effort calls for creation of a new capital city.

Montserrat is called the "Emerald Isle" of the Caribbean for its resemblance to Ireland and Irish ancestry of part of its population.

Oliver Cromwell exiled Irish political prisoners, unemployed, peasants, widows and orphans to Montserrat to work as slaves or indentured servants.

Ireland and Montserrat are the only countries in the world to celebrate St. Patrick's Day as a public holiday.

Omnicom's suit against stockholder John

Chevedden is an instance of management wanting to protect its ability to know how stockholders are voting while deying that info to dissident groups.

OMC CEO John Wren and COO Randy Weisenburger, two of the highest paid ad execs (\$53.3M and \$31.5M, respectively in 2012), are battling Chevedden's quest to keep management's eyes from proxy votes until the annual meeting May 20.

Chevedden argues that confidential voting is needed not only at OMC but many other companies because, as a Yale Law School study found, "Management-sponsored proposals (the vast majority of which concern stock options or other bonus plans) are overwhelmingly more likely to win by a very small amount than lose by a very small amount to a degree that cannot occur by chance."

Chevedden and GMI Ratings, whose board includes Nell Minow, have criticized the pay packages of OMC executives. GMI has given OMC a "D" since 2005 on executive pay, governance practices, and length of service by directors. Six of the OMC directors as of 2012 were age 71 to 83 including 60% of the audit committee.

Management can see how a vote is going on a certain proposal and can start rounding up votes needed to defeat an unwanted proposal, says Chevedden. He is a shareholder activist who has locked horns with OMC and many other companies before.

The OMC lawsuit is grist for our mill since ethical vs. legal is a raging topic in PR these days. It's obvious in this instance that management should not have an edge in information over the stockholders who actually own the company. It's unethical.

What Actually Happens—Legal Swords

The OMC vs. Chevedden legal battle is an example of what actually happens in the business world despite all the talk about "ethics" and doing the "right thing." Legal swords are unsheathed and "ethics" goes out the window.

The Council of PR Firms last year made ethics its chief concern, launching "Ethics as Culture." Dave Senay of FleishmanHillard, an OMC PR Firm, who is again chair in 2014, initiated the focus on ethics. He defined it as "be honest, don't steal, be fair."

Confidentiality of stockholder voting is a big issue not only at OMC but at many other companies including JPMorgan Chase.

Forty percent of stockholders of JPM voted in 2012 to strip Jamie Dimon of his chairman's title, leaving him as CEO.

The dissidents had lost their right to see how votes were going on stockholder proposals while management kept this right. Stockholders cried "foul," saying the bank had an "unfair advantage."

Our experience with "legal" vs. "ethical" is that business and academics talk a lot about "ethics" but in actual practice it is the legal card that is played. That can be a costly card for those without a big corporate bankroll.

Chevedden is being sued in Federal courts rather

than via the SEC where such actions are usually filed. The reason, say Chevedden and his supporters, is that OMC might stand a better chance in court because a court does not have the vast experience that the SEC has with shareholder proposals.

Will Ethics Experts Look at This?

It would seem that management having info that dissidents don't have is ipso facto unfair and unethical.

"How to work with senior managers who defer to the legal function and the court of law rather than PR and the court of public opinion" was the subject of a panel that included lawyers at the annual conference of PR Society of America Oct. 28, 2013.

Proving our point about legal trumping ethical, O'Dwyer reporters were not allowed to cover that session or any other conference sessions. We were illegally barred on the whim of Society staff and officers.

Having struck out there, our hopes for a discussion of business ethics were buoyed when we saw six such experts quoted in a half-page feature in the Jan. 10, 2014 *New York Times*. Headline was, "In Life and Business, Learning to be Ethical."

One proposal is that people who want to behave ethically should take "training" just like beginning pilots use flight simulators before actually piloting a plane. This, supposedly, will give them the guts to speak up when they see something wrong happening. Their courage will be "exercised."

We're trying to contact the six plus three other ethical experts to see if any of them can tell us what to do when legal trumps ethical. Thus far we have received a flat "No" from one of the above who is "too busy." Weinstein has no visible address, e-mail or phone, which we think is an ethical abuse. A question was made in a "Comment" box on his website. E-mails and phone calls have been made to the others.

Author and journalist David Cay Johnston, who penned *The Fine Print: How Companies Use "Plain English"* to Rob You Blind and writes often on income disparity, needs to turn his sights on consolidation in ad/PR where there will soon be three giant companies—Omnicom/Publicis, WPP Group and Interpublic—that employ 280,000.

A handful of people have the power to decide which media live and which will die. Ad buyers have cut newspaper ads from \$47 billion to \$23 billion, decimating large parts of the industry as chronicled in the TV special, "Black & White and Dead All Over."

How did the four conglomerates get so big? Partly because bankers funded them. Combined longterm debt of the four is \$16 billion. Johnston, noting that Comcast was the seventh biggest D.C. lobbyist last year, paying \$18.8 million to influence Congress and regulatory agencies, says it has "easy access to senators and representatives."

Consumer lobbies, meanwhile, are "few in numbers, lightly funded and often snubbed by lawmakers," he says.

— *Jack O'Dwyer*