



Jack O'Dwyer
Editor-in-Chief

O'Dwyer's Newsletter

The Inside News of
PR and Marketing
Communications

271 Madison Ave., New York, NY 10016
212/679-2471. Fax: 212/683-2750
www.odwyerpr.com; jobs.odwyerpr.com

July 17, 2017 Vol. 50 No. 28

APCO GETS \$\$\$ INFUSION

APCO Worldwide today announced that Citibank and Monroe Capital pumped fresh capital into the **No. 3 independent firm**, enabling it to buy out minority investor WindRiver and fund growth opportunities.

Margery Kraus, founder/executive chairman, said the transaction renews her firm's committee to remain independent.

Launched in 1984, Washington-based APCO gained its independence from Grey Global Group in 2004.

Ted Koenig, founder/CEO of Monroe Capital, looks forward to helping APCO identify growth opportunities including potential acquisitions. "It is especially gratifying to support a successful business that is majority women-owned, which is one of our priority areas for investment capital," he said in a statement.

Citibank has advised APCO for more than a decade.

Investment banker Petsky Prunier and law firms Gibson Dunn and Godfrey Kahn advised APCO on the transaction.

APCO, which is helmed by Brad Staples, generated \$120.6M in fee income last year.



FEARLESS PR FIRM NEEDED FOR DUNGEON

The Dungeon of Doom, which touts itself as the "most bone-chilling" attraction in the Greater Chicago area, is looking for a PR firm to lure "victims" (e.g., visitors) from the Windy City and Milwaukee markets.

In addition to traditional and digital media, the PR firm will create press materials, build recognition with bloggers and other online influencers, and manage interviews or media opportunities throughout the Halloween season.



The scope of work includes the promotion of a "Press Night" for local media and influencers on the opening night of the attraction.

Proposals should include a detailed budget and timeline, agency history, list of proposed team members (including biographies), recommended program elements and a list of current and former clients in the event industry.

Fearworm Hauntvertising, advertising agency focused on haunted attractions and events, is handling the hunt for PR.

Deadline for proposals is July 28. They go to Ernest Corder at ernest@fearworm.com. Interviews of firms begin during the first week of August.

[Download the RFP \(PDF\)](#)

MARK PENN'S STAGWELL MOVES INTO WTC

Mark Penn's Stagwell Group has signed a 13-year lease for about 84,000 sq. ft. on the 62nd and 63rd floors of NYC's One World Trade Center, the tallest building in the western hemisphere.

One World Trade Center Its holdings include SKDKnickerbocker (strategic communications), Harris Insights & Analytics (public opinion research), PMX Agency (marketing) and Code and Theory (digital).

Stagwell also has an investment stake in Finn Partners and their jointly owned shop Wye Communications.

"We are excited to be able to make an amazing new space for digital creatives and will be bringing together a great group of portfolio companies to foster synergies in a dynamic new workspace," said Penn in a statement.

The former political consultant for Bill and Hillary



SITRICK SAYS 'SORRY' FOR TRUMP LAWYER

Crisis counselor Mike Sitrick represents Marc Kasowitz, President Trump's attorney on the Russia investigation who has apologized for a series of angry and profane emails sent to a stranger who called on him to resign.

The email exchange took place July 12 following a ProPublica report featured on Rachel Maddow's MSNBC program about Kasowitz not having a security clearance for the Russian probe, which involves classified information.

Experts, according to the report, speculated that the lawyer could have trouble obtaining clearance due to alleged alcohol abuse.

A viewer, who is a retired PR executive, sent an email to Kasowitz that had "Resign Now" as subject line.

That message triggered responses

Washington Me
Trump lawyer Marc Kasowitz to critics: 'Watch your back. . . . I already know where you live'



(Continued on pg. 2)

SITRICK SAYS 'SORRY' FOR TRUMP LAWYER

(Continued from pg. 1)

from Kasowitz, including one that told the stranger to “watch his back.”

Sitrick issued a statement to dispute sections of its story: “Marc Kasowitz has not struggled with alcoholism,” Sitrick wrote. “He has not come into the office intoxicated, attorneys have not had to go across the street to the restaurant during the workday to consult Kasowitz on work matters.”

In the apology, Kasowitz called his response to the man “inappropriate” and that he wished he could take back his words.

MARK PENN'S STAGWELL MOVES INTO WTC

(Continued from pg. 1)

Clinton and CEO of Burson-Marsteller is eager to expand Stagwell's portfolio.

His operation has raised \$250M in capital and says it may leverage that for a \$750M acquisition spree.

The Durst Organization said OWTC has attracted 15 TAMI (technology, advertising, media, information tech) companies in its bid to position the 104-story skyscraper as the “epicenter of innovation and inspiration in Lower Manhattan.” OWTC is 75 percent leased.

LPG LINES UP OPIOID LOBBYING SALVO

Government affairs consulting firm Lincoln Policy Group has signed a pact with the Opioid Treatment Program Consortium, an alliance of opioid treatment facilities, for Capitol Hill lobbying support on health policy issues as they relate to drug-treatment.

Lewisville, TX-based OTP is comprised of national treatment organizations including BayMark Health Services, Aegis Treatment Centers, Behavioral Health Group, Center for Behavioral Health, Colonial Management Group, CRC Health and Pinnacle Treatment Centers.

The consortium has retained Lincoln Policy Group for D.C. advocacy work related to Medicaid reform and healthcare reform, as well as funding and coverage for opioid use disorder treatment, according to lobbying registration documents filed in July.

Drug policy experts worry that the nation's current opioid epidemic could be worsened by Republicans' recent attempts to replace Obamacare, possibly cutting substance abuse treatment coverage for those suffering from drug addiction.

Approximately 60,000 Americans died from drug overdoses in 2016, according to findings from the Centers for Disease Control and Prevention.

The account will be led by LPG principals Dan Elling and Colin Roskey. Elling was formerly staff director to the Ways and Means Health Subcommittee in the U.S. House of Representatives and also served as a legislative assistant to Rep. Jim Ramstad (R-MN) and health policy aide to Health Subcommittee Chairman Nancy Johnson (R-CT). Roskey was previously a staff lawyer to the Senate Finance Committee under Sen. Chuck Grassley (R-IA).

Elling and Colin Roskey will be joined by VP Regina Sherick, a former staff assistant to the U.S. Senate Committee on Finance.

CANNABIS GROUP FIRES UP LOBBYING

The New Federalism Fund, a Denver-based coalition comprised of regional and national cannabis industry-related companies, has hired consulting firm Trimpa Group for Capitol Hill representation on law enforcement, banking, appropriations and tax issues as they relate to the legal marijuana industry.

NFF is a nonprofit dedicated to state's rights issues, particularly as they relate to protecting states' freedom to regulate their own cannabis laws without federal intervention.



Members include Scotts Miracle-Gro Company, Seattle-based legal cannabis private equity firm Privateer Holdings and Tempe, AZ-based medical marijuana provider Tryke Companies, as well as Colorado-based cannabis dispensaries Medicine Man and LivWell Enlightened Health and product manufacturers Dixie Elixirs & Edibles and Native Roots.

NFF's lobbying retainer comes as Congress prepares to vote on the Rohrabacher-Blumenauer amendment as part of its Fiscal Year 2018 appropriations bill. That amendment, introduced by Reps. Dana Rohrabacher (R-CA) and Earl Blumenauer (D-OR), grants federal marijuana protections by prohibiting the Justice Department from funding pot-related prosecutions against states that are acting in accordance with their own marijuana laws.

Attorney General Jeff Sessions, who has previously characterized cannabis as “dangerous” and has recently asked a Justice Department task force to revisit its drug-related policies, has voiced opposition to the amendment, claiming it prevents that federal agency from enforcing its authority under the Controlled Substances Act.

In a May letter to Senate Majority Leader Mitch McConnell, House Speaker Paul Ryan, Senate Minority Leader Charles Schumer and House Minority Leader Nancy Pelosi, Sessions wrote that it would be “unwise for Congress to restrict the discretion of the Department to fund particular prosecutions, particularly in the midst of an historic drug epidemic and potentially long-term uptick in violent crime.”

NFF earlier this year retained lobbying powerhouse Brownstein Hyatt Farber Schreck for a similar \$60,000 pact to provide pot-related advocacy work in Washington.

The New Federalism Fund account will be led by Trimpa founder Ted Trimpa, a Democratic strategist and operative who was previously a Hogan Lovells partner and longtime Brownstein Hyatt Farber Schreck staffer.

Earlier in his career, Trimpa was a legislative aide to Senator Nancy Kassebaum (R-KS).

Trimpa Group maintains offices in Denver and Washington D.C.

JP MORGAN CHASE PICKS BERRY

JP Morgan Chase has named Republican operative Tim Berry to head its government relations and public policy operations.

The former chief of staff to two Republican Majority Leaders, Tom Delay and Kevin McCarthy, will take the post in September when the Trump Administration is expected to take up financial services reform.

Berry, who also did a stint as chief lobbyist for Time Warner, is currently executive VP at Axios, the political, business, tech website launched in 2016 by a trio of Politico veterans. JPMorgan was a “launch partner” of Axios.

Berry will take over for Nate Gatten, who left for a spot at American Airlines.

He will work closely with JPMorgan Chase chief Jamie Dimon, in his capacity as chief of the Business Roundtable.

In last week’s earnings call with analysts and shareholders, Dimon urged politicians and the media to end the Washington gridlock and begin to focus on the big issues facing the country.

“It’s almost an embarrassment being an American citizen traveling around the world ... listening to the stupid (expletive) we have to deal with in this country,” reported the *Wall Street Journal*. “We have to get our act together and do what we’re supposed to do for average Americans.”



Tim Berry

CBS TEAMS WITH BBC

CBS News and BBC News have formed an editorial and newsgathering alliance to share video, content and journalism staffers in New York, London, Washington and key bureaus throughout the globe.

David Rhodes, CBS News president, noted that both organizations share a commitment to original reporting.

He expects the tie-up will increase the capabilities of each partner. No layoffs are anticipated.

The deal flows from a link-up that CBS and BBC had during the US presidential campaign. CBS will end its relationship with Sky News, which is being acquired by Rupert Murdoch’s 21st Century Fox, while the BBC will drop its connection with Walt Disney Co.’s ABC.

The BBC is eager to increase its US coverage, especially during the Trump White House.

LABOR GROUP BUYS CHICAGO SUN-TIMES FOR \$1

An investment group backed by a coalition of labor unions and fronted by a local politician is buying the *Chicago Sun-Times*, edging an offer by the owner of rival Chicago Tribune.

ST Acquisition Holdings reportedly is paying \$1 for Chicago’s No. 2 paper and its sister publication, *Chicago Reader*.

Former alderman Edwin Eisendrath promises his group, which includes the Chicago Federation of Labor, “will make sure that a genuine voice with honest and good reporting that connects with working men and women thrives.”

EDELMAN’S RETHMEIER OPENS DITTO IN SF

Brooklyn’s Ditto has recruited Edelman’s Blain Rethmeier to run its newly opened outpost in San Francisco.

At the **No. 1 independent firm**, Rethmeier handled the crisis & risk practice for the western region and led the corporate unit in Los Angeles.

Prior to Edelman, he served as President George W. Bush’s special assistant for communications for the National Economic and Homeland Security Councils.

The Trump Administration tapped Rethmeier to shepherd General John Kelly through his Senate confirmation hearings for the Homeland Security Secretary slot.



Blain Rethmeier

Texan Trey Ditto launched Williamsburg-headquartered Ditto in 2002.

He was involved in Republican politics in the Lone Star State before becoming deputy press secretary for Bush’s Education Secretary Margaret Spellings.

Ditto has worked at PR/PA firms such as Shirley & Banister, Rubenstein Assocs., KCSA Strategic Communications and Emanate.

His firm counts clients in the technology, financial services, education and nonprofit sectors including Brooklyn Law School, STA Wealth Management, Argo Group and Flatiron School.

He called opening in SF a “no-brainer because we have always had clients in the Bay Area.”

KEKST WORKS TWO EQT TRANSACTIONS

Kekst recently advised Sweden-based private equity group EQT Partners on two major transactions, its acquisition of Princeton, New Jersey-based pharmaceutical services firm Certara and the acquisition of Global Gateway South, a leading container terminal in the Port of Los Angeles.

EQT acquired drug development software and services company Certara in July for \$850 million, including debt, from private equity firm Arsenal Capital Partners, who retains a minority ownership stake.



The private equity and venture capital firm in July also acquired a 90 percent interest in Global Gateway South for \$875 million and will now partner with port infrastructure investment company P5 Infrastructure to increase the terminal’s capacity and efficiency.

The Kekst team counseling EQT in the transactions includes managing director Daniel Yunger, associate Ross Lovren and analyst Cathryn Vaulman.

The corporate, financial and M&A communications advisory giant last year also provided PR counsel for EQT’s \$2.35 billion acquisition of healthcare consultancy Press Ganey Holdings, its first direct equity investment in North America.

DEMOCRATS MORE LIKELY TO TRUST MEDIA

Democrats and Republicans exhibit a surprisingly similar range of news-viewing habits, but **Republicans tend to be less satisfied than Democrats with the media sources they use**, including sources they pay for and use often, according to a July study released by the Media Insight Project, a joint research initiative between The Associated Press-NORC Center for Public Affairs Research and the American Press Institute.



In general, Democrats are more likely than Republicans or independents to believe that the news sources they use for free and the sources they pay for are reliable. According to the study, Democrats are far more likely than Republicans or independents to trust information they receive from the media (30 percent, vs. 8 percent of Republicans and 12 percent of independents).

Among those polled who said they pay for news, 73 percent of Democrats believe their paid sources are very or extremely reliable, versus 53 percent of Republicans, and Democrats are also far more likely than Republicans to believe the sources they subscribe to are a good value (45 percent vs. 30 percent).

Despite myriad differences in political opinion and exhibiting varying levels of trust in the media, the study found that people on both ends of the political spectrum share the same general appetite for news and tend to consume it in similar ways.

About the same percentage of Democrats and Republicans (58 percent vs. 56 percent) are likely to pay for news, both groups claim to seek news out actively rather than passively (68 percent vs. 65 percent) and both demographics claim to get news multiple times a day (72 percent vs. 71 percent).

Both groups are also equally likely (75 percent for each) to get news from social media, with both about equally likely to get news from cell phones (86 percent vs. 84 percent) and computers (66 percent vs. 65 percent). The report also found that Democrats and Republicans are also equally likely to use local news sources, where they tend to follow similar topics such as local politics.

The only media outliers in the study appear to be independents, who are less likely to get news from TVs than Democrats or Republicans (78 percent, vs. 84 percent and 85 percent respectively) and are less likely than Democrats and Republicans to watch, read, hear, or see news at least several times a day (61 percent, vs. 72 percent and 71 percent).

The findings are as the result of two recent Media Insight Project surveys carried out to understand the habits of U.S. news consumers. The first, a study about subscribing to news, interviewed more than 2,000 U.S. adults between February and March. The second comes from a study of people's trust in news based on interviews with more than 2,000 U.S. adults in March.

PR OPINION

The **2017 O'Dwyer's Directory of PR Firms**, the 47th annual edition and the only remaining printed directory in PR, has been published digitally and will shortly be available in hard copy. More than 1,200 firms are listed including conglomerate-owned as well as independent PR firms. The Directory has 39 display ads and expanded entries by more than 250 of the firms.

The list of 123 ranked firms is topped by **Edelman's \$874.9 million in fees**, up 2.4%. Edelman employees in the U.S. and more than 30 foreign countries total 5,903. W2O group, spurting 33% to \$122.7 million, took over the No. 2 spot from APCO Worldwide, which was up one percent to \$120.6M.

14 Firms in Top 30 Grow in Double Digits

Three other firms in the top ten grew in double digits, Prosek Partners 28% to \$31.2M; Coyne + 26.9% to \$27.3M, and Fahlgren Mortine, + 18.9% to \$24.4.

Ten firms in the 11-30 bracket grew in double digits: ReviveHealth +40% to \$14M; Spectrum +34.8% to \$20M; Hotwire +32% to \$13.2M; Crosby +21.7% to \$12.2M; PAN Communications +18.6% to \$15.6M; Jackson Spalding +15.6% to \$21M; Inkhouse Media +13.8% to \$13.7M; 5W PR +13.2% to \$24.3M; Hunter PR +14.6% to \$23.5M, and French|West|Vaughan +10.4% to \$23.3M.

90 of 123 Ranked Firms Boosted Revenues

The health segment of PR continues to be one of the fastest-growing with W2O Group posting a 33.9% gain, Spectrum up 34.8%, and ReviveHealth, up 40%. The **October O'Dwyer's magazine** focuses on healthcare PR. The healthcare ranking will be featured and profiles of more than 50 healthcare practices are expected.

Firms with tech specialties or which are entirely tech did well including Racepoint Global, +7.8%; PAN Communications, +18%, Highwire PR +27.6%, Hotwire +32%, and Inkhouse Media, +13.8%.

More than 400 rankings are in the 12 specialties tracked by the directory, the only such database in PR. They are agriculture, beauty & fashion, entertainment, environmental & PA, financial & investor relations, food & beverage, healthcare, home furnishings, professional services, sports, technology, and travel & economic development.

Each issue of the O'Dwyer's monthly magazine focuses on one of the special practice areas. Firms provide profiles in which they describe their special practice areas in detail.

Firms are also ranked by cities including New York, Boston, District of Columbia, Chicago, Los Angeles and San Francisco and by regions including Southeast, Midwest and Western. There are separate rankings for Texas and Florida.

PR has evolved into specialty practices as did medicine and law. They have compiled information on the relevant traditional and social media and learned the financial and regulatory environment.

— Jack O'Dwyer

