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# O'Dwyer's Newsletter

The Inside News of  
PR and Marketing  
Communications

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## UTAH REVIEWS TOURISM PR

The Beehive State has kicked off a review of its six-figure domestic tourism PR account with an RFP process open through mid-June.

The Utah Office of Tourism released an RFP on May 28 for media relations, including social media outreach, to "maximize the state's presences as a top-tier travel destination" in the U.S. market.

Budget is \$200K per year. Lou Hammond & Associates, New York, is the incumbent and won the last review in 2008.

Utah's official brand, "Utah Life Elevated," was unveiled in 2006. Its substantial winter sports offerings use the tagline "The Greatest Snow on Earth." The state pitches its five national parks (Zion, Bryce Canyon, Capitol Reef, Canyonlands and Arches) as "The Mighty 5" and advertises in key West Coast markets like Los Angeles, Denver, Phoenix, Portland, San Francisco and Seattle.

The UOT plans a one-year contract with four option years. Proposals are due June 18 (questions by June 11). RFP: <http://bit.ly/11R931>.



Photo: Matt Morgan, UOT

## CA CHECKS IN WITH WEBER FOR HEALTH EXC.

California's state-run health insurance exchange has engaged Weber Shandwick for a multimillion-dollar campaign to promote entity, known as Covered California.

Weber Shandwick, which has worked with Massachusetts and Maryland on health exchange PR and marketing and handles PR work for the federal government-run exchanges under the Affordable Care Act, will lead a two-year, \$12M contract for the California exchange. Its Axis Agency multicultural unit will also handle outreach.

Covered California continues to work with Ogilvy PR for media and community relations efforts.

California wants to reach an estimated five million people in promoting its exchange, which was rolled out on May 23 with 13 health plans. The announcement received national coverage as rates for some of the plans – from \$200-\$300 – came in below expectations. CC executive director Peter Lee called the offerings a "home run for consumers in every region of California."

Insurance exchanges will begin offering plans in 2014.

## PETRAEUS BECOMES KKR POLICY CZAR

Private equity giant KKR has hired former CIA director and retired four-star general David Petraeus for counsel on public policy, regulatory and technology trends.

He will chair the newly created KKR Global Institute and coordinate activities with KKR global PA head Ken Mehlman and Henry McVey, global chief of the macro & asset allocation group.

Petraeus also will provide expertise in due diligence, especially when the New York-based firm is considering investments in new markets, according to a release.

The Institute will publish "thought leadership" pieces written by portfolio managers and sector experts.

KKR says in the aftermath of the global financial meltdown there are new regulations and changes in social public policy that have led it to "increased engagement on these areas and on the environmental, social and governance issues."

The Institute is to "be the nexus of KKR's focus on the investment implications of these issues."

Petraeus, 60, resigned the CIA post after an FBI probe discovered his extramarital affair with his biographer Paula Birdwell.

The 37-year Army veteran commanded NATO forces in Iraq for 19 months and retired as commander of the International Security Assistance Force and U.S. force in Afghanistan.



Petraeus

## OUTDOORS GROUP CASTS PR WITH OGILVY

The Recreational Boating and Fishing Foundation, a Virginia group of outdoors industry companies and public sector entities, has cast its PR net with Ogilvy PR, following a review.

The Alexandria-based group runs the national "Take Me Fishing" PSA campaign aimed to boost declining participation in fishing and boating activities among younger demographics.

The RBFF released an RFP in February for the account, worth \$280K per year.

Ogilvy PR's Washington office, as AOR, handles consumer and stakeholder PR and media outreach.



**TAKE ME FISHING™**  
takemefishing.org

## **AMG FRONTS CHINA'S AMERICAN PORK GRAB**

Abernathy MacGregor is fronting the \$4.7B acquisition of iconic American pork company Smithfield Foods by China's Shuanghui International Holdings Ltd., the No. 1 meat processor in China.

In the event the transaction passes U.S. regulatory scrutiny, the deal would rank as the largest Chinese takeover of a U.S. company.

The Committee on Foreign Investment in the U.S. is among those expected to review the acquisition of the \$13B owner of brands such as Smithfield, Armour, Cook's, Gwaltney and John Morrell.

Smithfield CEO Larry Pope applauds the deal as a "great transaction for all Smithfield stakeholders, as well as for American farmers and U.S. agriculture."

He sees the transaction as a way to tap Shuanghui's distribution market to offer Chinese consumers access to "competitively-priced and safe U.S. products."

Shuanghui, which is offering a 31 premium over Smithfield's closing stock price, promises to "maintain the excellence in Smithfield's brands and strategic priorities. Pope is to remain chief.

The Luter family opened its packing plant in Smithfield, Va., in 1936. The town grew to be known as the "ham capital of the world."

Pope succeeded Joe Luter III as CEO of Smithfield in 2006.

AMG's Dan Hilley and Chuck Dohrenwend work with U.S. media for Shuanghui, while Amy Feng deals with the investment community. Havas owns AMG.

Joele Frank, Wilkinson Brimmer Katcher handle media for Smithfield. That team includes Andy Brimmer, Matthew Sherman and Andrew Siegel.

## **BLJ UNVEILS VOLCKER'S 'GOOD GOV' GROUP**

Brown Lloyd James on May 29 launched former Federal Reserve Board chairman Paul Volcker's "good government" group, an outfit organized to combat his frustration with the "impotence" of federal regulatory agencies.

The Volcker Alliance aims to focus on improving the "nuts and bolts" of implementing policy at the federal, state and local levels.

The 85-year Volcker, who once chaired investment bank Wolfensohn & Co. and held a key post at Chase Manhattan, points to the drawn-out effort to put Dodd-Frank legislation into effect among reasons for the need of his group. He will kick in a portion of the \$5M start-up budget and hit his many contacts for contributions.

Shelley Metzenbaum, who was associate director for performance and personnel management at the White House Office of Management and Budget, is president of VA. Board members include former Senator Bill Bradley, Sheila Barr (ex-chair of the Federal Deposit Insurance Corp.), Bill Donaldson (co-founder of Donaldson Lufkin & Jenrette) and Alice Rivkin (ex-director of the OMB) are directors.

BLJ's Marc Smrikarov is working the VA business.

Michelle Scott, a spokeswoman at Peter Brown's New York-based firm, told O'Dwyer's that VA is handled on a pro bono basis.

## **VALEANT FOCUSES ON PR IN B+L DEAL**

Valeant Pharmaceuticals is relying on outside PR support in its \$8.7B acquisition of Bausch + Lomb.

The companies announced a deal May 27 that will see the Canadian drug giant pay \$4.5B to the private equity group owners of B+L, led by Warburg Pincus, as well as \$4.2B to cover B+L debt. Most of the \$8.7B will be financed with debt from \$1.5B-\$2B in new equity, Valeant said.

Valeant, which has engaged Sard Verbinnen & Co., said it will combine its ophthalmology products with

B+L's offerings to create an eye health unit with annual net revenue of around \$3.5B. B+L will retain its name as a division of Valeant, the companies said in a joint release.

Sard principal Jonathan Doorley and VP Meghan Gavigan are representing Valeant.

Warburg Pincus engaged Joele Frank, Wilkinson Brimmer Katcher for the B+L deal. JF partner Steve Frankel heads the work.

Adam Grossberg, VP of global communications and IR at B+L, told O'Dwyer's his company did not work with outside PR counsel for the Valeant deal.

Rochester, N.Y.-based B+L in March worked with Abernathy MacGregor Group for communications counsel as it planned an initial public offering worth up to \$100M.

Valeant, which had 2012 revenue of nearly \$3.6B, paid \$2.6B for Arizona-based Medicis Pharmaceutical in 2012.

## **STATOIL TAPS BHFS**

International energy giant Statoil, which is 67 percent owned by Norway, has tapped Brownstein Hyatt Farber Schreck for its DC representation.

Luke Johnson, who was deputy director of policy and programs for the Bureau of Land Management, and Elizabeth Gore, chief of staff for former North Dakota Democrat Byron Dorgan, spearhead the effort.

Statoil has been in the U.S. news following this month's joint announcement with ExxonMobil about plans to develop a Gulf of Mexico tract that may contain more than 6B barrels of oil.

That site is about 200 miles south of New Orleans. The partners will begin drilling next year with production slated for 2016.

Statoil also was named with BP and Royal Dutch Shell as a defendant in an oil trading manipulation suit filed in New York by Chicago-based commodities firm Prime International Trading.

The case, according to the *Financial Times*, is the first lawsuit stemming from a European Commission antitrust probe.



## **HOLDER BRINGS IN PA CHIEF AMID CRISIS**

Attorney General Eric Holder has tapped the top PR aide to one of the U.S. Senate's most press-savvy members to take over the Justice Department's public affairs operation, which is facing a barrage of attention over the AP leak probe.

Brian Fallon, communications director for Sen. Chuck Schumer (D-N.Y.), is in line to take the top Justice PA slot vacated in February by Tracy Schmalzer, who moved to ASGK Public Strategies.

Fallon, who will make the move next month, exits Schumer's office after six years. He also serves as chief spokesman and communications director for the Senate Democratic Policy and Communications Center. Earlier, he worked press posts on the Kerry-Edwards campaign in 2004 and for Sen. Bob Menendez's (D-N.J.) 2006 election campaign. Fallon's wife, Katie Beirne, is deputy communications director at the White House.

Meredith Kelly is deputy communications director for Schumer.

Holder, as part of a review of the Justice Dept.'s dealings with the press, is planning off-the-record meetings with news organizations to diffuse the crisis sparked by the department's seizure of AP and Fox News phone records. But several news organizations, including the Associated Press, Fox News, *New York Times* and Reuters, are refusing to attend the sessions unless they are on-the-record talks. Politico and the Wall Street Journal are among news orgs who said they will attend.

The *Washington Post*, *Wall Street Journal*, *The New Yorker* and *New York Daily News* took part in a May 27 meeting with Holder. Politico noted officials "agreed that the journalists could discuss publicly and in general some of the ideas that were discussed during the course of what otherwise was an off-the-record meeting."

## **BUFFETT ACQUIRES ROANOKE TIMES**

Warren Buffett's Berkshire Hathaway has acquired the *Roanoke Times*, which joins its BH Media Group unit's holdings of Virginia newspapers.

That collection includes papers the *Richmond Times Dispatch* and publications Danville, Lynchburg and Charlottesville.

In acquiring RT from Landmark Media Enterprises, BHMG chief Terry Kroeger expressed his firm's practice of not interfering in the management of its local outlets.

RT publisher Debbie Meade has announced her retirement with the May 31 closing of the deal.



Holder

Terry Jamerson, VP of BHMG's Virginia Community Newspaper subsidiary, succeeds her.

RT employs 300 people and has circulations of 67K and 85K daily and Sunday, respectively.

Frank Batten, Landmark CEO, called BHMG, the "best home" for the RT, which becomes owned by people who "understand the value and the role of newspapers."

BHMG owns 28 dailies.

## **FINANCIAL TIMES TAKES AIM AT TWITTER**

The *Financial Times* has launched fastFT, a tool designed to provide readers information bursts presented with the cheeky attitude of the British publication.

The 100-to-250 word mini-stories run on the right side of FT's home page and on a separate website.

The paper says the dispatches, offering a mix of news and comment, are for people who believe Twitter's 140 characters limit just "doesn't cut it."

Eight journalists in London, New York and Hong Kong staff the operation.

They will submit at least three items every hour.



## **KING JOINS MOSCOW'S TV MOUTHPIECE**

CNN alumnus Larry King has joined Russia Today and will host what is billed as a "mold-breaking political talk show" that will stream online at Hulu.com and Ora.TV and be available on rt.com.



RT, which is the propaganda arm of the Putin government, promises that King will speak to "leading establishment figures, and those who are not afraid to go against the grain."

King says he is eager to mount the RT platform so he can present "real alternative visions for our country's future."

His new program, "Politics with Larry King," will air four times a week.

## **CASTALDO MOVES TO BPI PR SLOT**

Gennaro Castaldo, a 27-year veteran of the failed U.K. HMV entertainment retailing chain, has moved to BPI as its communications chief. He replaces Alam Liv-ersage, who exits June 15 from the trade group of Britain's recorded music industry.

BPI chief Geoff Taylor looks forward to working with Castaldo and to capitalize on his "long experience working with the music industry, focus on consumers and his strong relationship with the press," according to a report in CMU, the British trade publication.

BPI has more than 300 independent labels as well as The Big Three group of Sony Music Entertainment, Universal Music Group and Warner Music Group. HMV went into receivership in January. Investment firm Hilco, an outfit that restructures retailers, purchased its assets.



**MEDIA NEWS****DILLER TO UNLOAD NEWSWEEK**

IAC/Interactive Corp CEO Barry Diller is shopping *Newsweek* as the former weekly has completed its “soft” digital re-launch earlier this month, according to a report in *Variety*.

The move comes a month after Diller told Bloomberg TV that it was a “mistake” to buy the publication and expressed little hope for its online recovery.

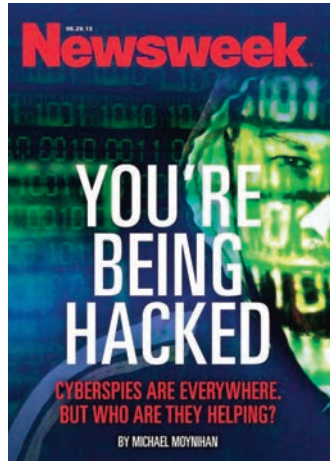
IAC is pitching 80-year-old *Newsweek* as an attractive property for a buyer looking for an “innovative” business structure that features narrative or long-form journalism.

*Newsweek*’s current comeback strategy is geared to “metered” online access with subs pegged at \$2.99 per month and plans for single advertiser sponsorship of articles.

Tina Brown has been leading the turnaround efforts of *Newsweek*, which is now a stepchild to IAC’s *Daily Beast*. IAC’s media group, which includes *Newsweek* and *DB* posted an \$8.8M operating loss during the latest quarter.

Diller acquired *Newsweek* under a deal with the late Sidney Harman, who bought the magazine from Washington Post Co. for \$1.

*Newsweek*’s site attracts about 2M visitors a month. Under royalty deals, it still prints editions in selective overseas markets.

**NEW CABLE NET PIVOT PLUGS IN VP OF PR**

Jennifer Garnick has been named VP-PR for Pivot, the cable TV network slated for an Aug. 1 launch by Participant Media, the “social action” Hollywood entertainment combine founded by Jeff Skoll.

PF has produced more than 40 films including “An Inconvenient Truth,” “Food Inc.,” “Good Night and Good Luck,” “Syriana” and “Lincoln.”

Pivot, which will debut in more than 40M homes, promises original and acquired programming that “sparks conversation and inspires change.”

The network will target “passionate millennials” (ages 18 to 34), a segment that Pivot defines as “The Next Greatest Generation.”

Garnick was VP-communications at the Independent Film & Television Alliance, VP of publicity at BuzzMedia, and a staffer at The Lippin Group.

At Pivot, she will be in charge of communications strategy, program publicity, talent relations, events and awards and report to Kent Rees, VP-marketing, scheduling and operations.

**Garnick****GOSSIP COLUMNIST HANGS PR SHINGLE**

Former *Philadelphia Daily News* gossip columnist and union chief Dan Gross has opened Gross Communications in the city.

Gross, who led the local Newspaper Guild chapter for the past five rocky years at the *Daily News*, took a buyout in January. [The *Daily News* and *Philadelphia Inquirer*, which went through bankruptcy in 2010, were sold to Interstate General last year.]

Gross penned the “PhillyGossip” column for the paper, starting out in 1998 as an editorial assistant and taking over the column in 2004 after serving as assistant to gossip scribe Stu Bykofsky.

Gross’ firm handles PR, crisis communications, social media and media training.

He penned a long “life and times” feature about his stint as a gossip columnist in the June *Philadelphia Magazine*.

**Gross****EDELMAN: ENTERTAINMENT CONNECTS GLOBE**

Two-thirds of respondents to Edelman’s 2013 global entertainment survey say watching and sharing online entertainment makes them feel more connected to the world.

According to Gail Becker, chair of Edelman’s U.S. western region, Canada and Latin America, “visual-tainment breaks down barriers, which increases people’s desire to share that content and experience with others, a trend that is particularly in the emerging markets.”



The survey found that 60 percent of respondents want to view content with a device that allows purchase of desired merchandise.

“Personal recommendations” top the ratings of top influencers.

The majority of respondents share content via social media channels about as much as they do about their family or friends.

Edelman Berland, research firm, conducted the survey of people aged 18 to 54 living in Brazil, China, India, Korea, Germany, Korea, Turkey and the U.S.

**MILSTEIN UPPED AT HEARST**

Lincoln Milstein, 63, has been named senior VP and aide de camp of new CEO Steven Swartz at Hearst.

He had worked with Swartz when he headed Hearst’s newspaper group.

Milstein co-founded *Boston.com* for the *Boston Globe* in 1995 and ran it until 2000 when he became executive VP of the paper’s parent, *New York Times Co.*’s digital unit.

**NEWS OF PR FIRMS****GRAYLING VET GETS HAVAS POST**

Ravi Sunnak, who exited Grayling a year ago after establishing its New York corporate PR practice, has been named executive VP/corporate & cause at Havas PR North America.

He'll report to Marian Salzman, CEO of the shop once known as Euro RSCG, and take the worldwide lead on the Coty Inc. account.

At Huntsworth's Grayling arm, Sunnak worked in London for five years, spearheading its push for The Economist Intelligence Unit.

France-based Havas is active on the charitable front via its "Baker's Dozen" initiative, where it donates \$1M worth of services for every \$12M in billings.

Its US PR operations are in New York, Pittsburgh and Chicago.



**Sunnak**

**EDELMAN FINDS FIELDS FOR UAE**

Edelman has recruited Jane Fields, an 18-year corporate, tech and new media veteran, to helm its United Arab Emirates operation.

She's the co-founder of Oxbow Media, which has developed multimedia strategies for clients such as Facebook, Apple, Skype and Expedia.

Prior to Oxbow, the self-proclaimed technophile, whom Edelman bills as a "master practitioner of neuro linguistic programming," worked at Ernst & Young.

Based in Abu Dhabi, Fields reports to Robert Holdheim, CEO of south Asia, Middle East and Africa.

The UAE region, according to Holdheim, is Edelman's second fast-growing region, spurting from zero to 75 staffers since start-up five years ago.

**PBS. AGENCY PRO TO GREENOUGH PREZ.**

Jamie Parker, former Weber Shandwick Cambridge chief who heads marketing and communications for top public broadcaster WGBH, has been named president of Boston agency Greenough, which is led by her husband, Phil Greenough.

Parker departs the VP/marketing and comms. slot at WGBH, a key content supplier for national PBS TV, producing programs like "Masterpiece," "NOVA" and "Frontline."

Greenough CEO Phil Greenough said Parker will take over operations and develop a new practice serving mission-based non-profits, using her background in creative and communications. The firm recently picked up Boston's professional theater company Huntington Theatre.

"After meeting the challenges of big companies, big agencies and WGBH, Jamie is set to play the leading role in developing creative services that will appeal to businesses and non-profits alike," said Greenough.

She was previously senior VP of brand communications at Arnold Worldwide and president of WS/Cambridge and its technology practice in 10 years with that Interpublic firm.

**NEW ACCOUNTS****New York Area**

**Rubenstein PR**, New York/The Luciano Pavarotti Foundation USA, for launch and ongoing PR for the U.S. arm of the Italian not-for-profit philanthropic organization of the late operatic tenor.

**Ketchum**, New York/Daisy Brand Cottage Cheese, for PR, following a competitive pitch. Consumer and influencer outreach, research/analytics, message development, conference support and digital and social media are in the scope of work. Marjie Laurent, senior brand manager for Daisy, said the brand likes Ketchum's food experience and creative thinking.

**Water & Wall Group**, New York/NEPC, investment consulting firm based in Cambridge, Mass., for branding, positioning, messaging, media relations, and speaking engagements focused on its Endowments & Foundations Group.

**Cornerstone PR**, New York/The John Lennon Educational Tour Bus, non-profit mobile recording and production studio, as AOR for PR. The tour aims to teach young people how to write, perform, record, and produce original songs, videos and documentaries.

**East**

**DDCworks**, Conshohocken, Pa./O'Neill Properties Group, for a branding and marketing campaign; Hologic, medical products, for launch of a new testing system in the U.K., and Pennrose, residential developer, for PR, branding and marketing after an initial crisis PR assignment.

**KCM Communications**, Baltimore/Octavia, fashion retailer, as AOR.

**Southeast**

**Trevelino/Keller**, Atlanta/Boneheads Grilled Fish and Piri Piri Chicken, an Atlanta-based fast-casual restaurant concept, for PR and marketing.

**Midwest**

**MWW**, Chicago/Swisse Wellness, Australia-based multivitamin brand, as AOR for PR in North America for its U.S. launch. Actress Nicole Kidman is global ambassador for the brand. The firm's Los Angeles and San Francisco offices picked up Agent Ace, online real estate platform; BACtrack, breathalyzer maker, and Runtastic, a health and fitness app.

**Maccabee**, Minneapolis/Jostens, maker of class rings, diplomas, yearbooks and photo books, PsyBar, forensic psychological/psychiatric consultation and hiring counsel, for media relations, corporate and internal comms. counsel.

**Stir Advertising and Ingegrated Messaging**, Milwaukee/Cousins Subs; AXIS Automation; Woodfield Chicago Northwest Convention Bureau; Halloin Murdock; Milwaukee/NARI; Blue Co Brands; WISPARK; United Performing Arts Fund (UPAF); Associated Bank, and Sargento Cheese.

**West**

**Blaze**, Santa Monica/Madison Holdings, owner of the Blue C Sushi and Boom Restaurant chains, for PR and social media.

**Canada**

**Veritas Communications**, Toronto/Canadian Broadcasting Corp., as AOR for PR, following a review.

**NEWS OF SERVICES****NASDAQ CLOSES PR, IR ACQUISITION**

The NASDAQ OMX Group has closed its \$390M acquisition of Thomson Reuters' PR, IR and multimedia services business, a deal announced in December.

Nasdaq said the businesses have been integrated into its global technology solutions operation, which serves 10,000 clients in 60 countries and is the combination of Nasdaq's market technology and corporate solutions businesses.

CEO Bob Greifield noted the deal diversifies the trading company's revenue base while delivering shareholder value.

IR services include shareholder analysis and communications, including IR website hosting previously under TR's ThomsonONE suite. The PR operation includes a press release platform, media contacts and other digital tools.

**SCHEIBEL ELECTED PRESIDENT OF IPREX**

John Scheibel, CEO of Milwaukee-based Trefoil Group, has been elected global president of the IPREX global communication network.

He took over for Kathy Tunheim of Tunheim, Minneapolis, at the network's annual meeting in Shanghai last month.

Scheibel took over in 1999 as CEO of Trefoil, the firm founded by principal Mary Scheibel and previously known as Scheibel Halaska.

**SOFTWARE EYES YOUTUBE CHANGE**

Paris-based software developer YMB Properties has created a streamlined application to help users maintain the design of their YouTube pages after Google updates the layout on June 5.

The software, Instant Social Presence: Tube Edition, uses a drag and drop interface to design a so-called YouTube One channel layout that will integrate with the new service.

Said YMB chief Bertrand Diouly Osso: "The YouTube One update will really revolutionize the platform and how it can support any business. However, it also poses a challenge for YouTube marketers, because the new layout requires specific branding images which are very hard to create unless you are a whizz designer."

Info: <http://instantsocialpresence.com/youtube>.

**RI ALIGNS WITH UK'S GLOBAL ALLIANCE**

New York-based consulting firm Reputation Institute has aligned with the U.K.'s Global Alliance for PR and Communication Management to let GA member associations share and participate in the RI's annual surveys.

RI publishes Reputation Pulse, CSR RepTrak and the Annual Reputation Leaders Survey, among others.

Nicholas Georges Trad, executive partner of RI, said the consulting firm will share its insights globally with GA members and involve them in its research.

"This partnership enables us to work with [the GA] to disseminate knowledge about corporate reputation that will enable leaders to make sound business decisions," he said.

**PEOPLE****Joined**

**Jeremy Rosenberg**, who led campaigns for Walmart, Panasonic and Nokia at Cohn & Wolfe, to Allison+Partners, New York, as senior VP of digital media. He was director of digital production at Porter Novelli and earlier worked on the advertising side at Saatchi & Saatchi, Deutsch and Ogilvy. A+P president Jonathan Heit said Rosenberg's social media and digital development expertise, along with his production background, are a "special combination."

**Rosenberg**

**Tony Telloni**, New York market leader and managing director for Burson-Marsteller, to GolinHarris, as managing director of its New York office, starting June 10. He takes over for Jennifer Cohan, who left the firm in December. Telloni previously led consumer accounts like Canon and Hershey at Edelman, and reports to Americas president Gary Rudnick at GH.

**Telloni**

**Scot Crockett**, founder of Issues Impact Group and managing director for DCI Group, to DDC Advocacy, Washington, D.C., as a VP of campaign services.

**Alison Omens**, former AFL-CIO director of media outreach and deputy dir. of PA, to Outreach Strategies, Washington, D.C., as a VP.

**Elizabeth Maloy**, a former professional track and field athlete, to Buffalo Communications, Vienna, Va., as PR manager to handle the firm's work on the sports and outdoor lines of Danish shoemaker ECCO.

**Mark Drury**, director of communications, Metropolitan Development and Housing Agency, to Seigenthaler PR, Nashville, as VP of client services. He was previously assist. commissioner of the Tennessee Dept. of Economic Development, press secretary for Nashville Mayor Phil Bredesen, and comms. manager for Dell. Also, **Stacey Nickens**, mktg. mgr. at Meharry Medical College, joins as senior A/E, **Hayley Martin** (Vanderbilt University Medical Center) as an A/E, **Richard Exton**, **Olivia Gagnon** and **Minh Le** as A/Cs, and **Shalan Trotz** as marketing coord.

**Alison Buckneberg**, PR specialist for MLT Vacations, the vacation package giant owned by Delta Air Lines, to Maccabee PR, Minneapolis, as an A/E.

**Shira Levy**, media buyer, GMMB for the 2012 election cycle, to Global Strategy Group, Washington, D.C., as a director. She previously spent five years with Chlopak, Leonard, Schechter & Assocs. Also, **Allison Bryan**, formerly of MWW Group and President Obama's re-election campaign, joins as an associate.

**Likes****Promoted**

**Andy Likes** to VP, The Vandiver Group, St. Louis. A former TV journalist, he is a seven-year veteran of the firm.

**Jill Meyer** to senior VP, DVL PR & Advertising, Nashville. She joined in 2004 and focuses on healthcare and food/beverage accounts.

**Meyer**

## **WA SCRAMBLES PR AFTER BRIDGE COLLAPSE**

Gov. Jay Inslee of Washington has allocated \$150K for a marketing and PR push to support local economies severely affected by the May 23 collapse of an interstate highway bridge, which garnered national attention after it was captured on video.

Dramatic footage of the Interstate-5 bridge collapsing and cars plunging into the Skagit River led newscasts and rapidly spread online late last week. It has also sparked a media dialogue on the country's crumbling infrastructure.

Inslee, who had lunch with his wife in nearby Mount Vernon to highlight that the area is open for business, directed \$150K from a state economic development reserve account on May 28 to launch a "regional media and communications plan" as the 58-year-old bridge's closure damaged the local economy on an important Memorial Day weekend for tourism. He said the PR effort, to be coordinated through chambers of commerce and tourism organizations, will "inform the public that area businesses and attractions are open and easily accessible."

*USA Today* sampled editorials from six regional and national news outlets to find dismay that the accident could occur six years after a deadly bridge collapse in Minneapolis, as well as encouragement for the federal government to allocate funds for infrastructure, which, the *Huffington Post* notes, were actually cut in the sequester budget fray.

No one was killed in the collapse, which is under investigation by the National Transportation Safety Board.

## **SITRICK GUIDES BANKRUPT VODKA COMPANY**

Central European Distribution Corp., the Poland-based vodka bailed out by a Russian billionaire, is leaning on Sitrick and Company for communications counsel as it navigates Chapter 11 bankruptcy in the U.S.

CEDC, which includes vodka brands like Bols, Parliament, Royal and Zelyonaya Marka, filed for Ch. 11 protection in April with nearly \$2B in assets against \$1.7B in debts and received court approval for its reorganization plan on May 13. Russian billionaire Roustam Tariko, an insurance and vodka billionaire who rescued the company in 2012, gains full control of CEDC through his Roust Trading Ltd. under the deal, which takes CEDC private.

Sitrick New York-based firm member Thomas Mulligan is handling U.S. PR for the Warsaw-based company.

CEDC, which went public in 1998, said operations in Poland, Russia, Ukraine and Hungary are unaffected by the bankruptcy filing.

## **ICR, DDC WORK \$2B REIT DEAL**

American Realty Capital Properties and its \$2.2B acquisition target CapLease are working with outside PR counsel on the merger to create the third largest U.S. real estate investment trust.

Maryland-incorporated ARCP, which is relying on DDC works for communications counsel, plans to pay \$8.50 per share for CapLease's outstanding stock, assume \$580M of its \$1.2B debt and repay the balance under terms of the deal announced May 28. Tony DeFazio, sen-

ior VP whose boutique PR shop was acquired by DDC in December, handles ARCP for the Conshohocken, Pa.-based firm, which has a handful of REIT clients.

New York-based CapLease, which trades on the New York Stock Exchange, is leaning on ICR for PR and IR support regarding the deal. ICR senior managing director Brad Cohen reps CapLease. The combined REIT will own 800 properties for lease to commercial and retail tenants.

CapLease faces a \$15M breakup fee if it turns to another acquisition proposal.

## **LARGE/MID-SIZED FIRMS SAW \$\$\$ JUMP IN '12**

Profitability among U.S. PR firms ticked up 0.2% on average in 2012 to 18.8%, but average retainer fees declined and solid gains at mid-sized and large firms offset a decline at smaller shops, according to an annual survey by StevensGouldPincus.

The 2012 average profitability figure comes in well above its 2009 recession nadir of 13.5%, but still short of the 2007 peak of 19.7%, said SGP partner Rick Gould.

Firms with under \$3M in revenue, typically more volatile than larger firms, saw profitability decline nearly 9% to 18.7% in 2012, while mid-sized shops (\$3M-10M) rose from 17.4% to 18.2% and (\$10M-25M) 16.8% to 19.2%. Large firms (over \$25M) saw profitability jump from 18.6% to 21.4%.

Average monthly minimum PR fees declined nearly 3% to \$9,609, while productivity was essentially flat as revenue per professional staffer came in at \$210,539, compared with \$209,945 in 2011.

Gould said the 11-year-old Best Practices Benchmarking Survey found Canadian firms more profitable on average (22.6%) than their U.S. counterparts. "The Canadian firms are well managed, with a sharp eye toward cost controls and profitability analysis," he said.

SGP says it will release the study on demand in August.

## **MPAA BOLSTERS COPYRIGHT PROTECTION**

The Motion Picture Assn. of America has added copyright pro Steve Tepp, who helms Sentinel Worldwide in Vienna, Va., to its lobbying line-up.

Tepp serves as property counsel at the Global Intellectual Property Center of the U.S. Chamber of Commerce, and is responsible for leading its effort to reduce trademark infringement and copyright piracy.

Earlier, he was senior counsel for policy and international affairs at the U.S. Copyright Office, where he played a key role in hammering out the Anti-Counterfeiting Trade Agreement.

The National Academy of Sciences last month released an 85-page report, "Copyright in the Digital Age—Building Evidence of Policy," noting "the ease of infringing digital copying and distribution often weakens sales and reduces the revenue available to creators."

The MPAA, which is headed by former Connecticut Senator Chris Dodd (D), spent \$730K in federal lobbying outlays during the first-quarter.

Its team includes Nickles Group, which is headed by former Oklahoma Senator Don Nickles (R), McDermott Will & Emery and Akin Gump Strauss Hauer & Held.

**Bolt Insurance is circulating a table of the 15 highest paid CEOs** that puts Omnicom CEO John Wren in 11th position with total pay of \$42.6 million in 2012.

Wren's compensation included a net gain of \$32.5 million on stock sales of \$57,992,052 that cost him \$25,454,000 to purchase via options, according to insider trading reports on Yahoo!Finance.

Wren also received total pay of \$14,846,067 which included salary of \$1 million; cash of \$8,847,076; Performance Restricted Stock Units worth \$5,201,756, and "other" compensation of \$157,235.

Our addition shows that Wren's total pay was closer to \$50M. The 2013 proxy said Wren owned 1,084,048 shares and had no options exercisable within 60 days. The 2012 proxy said he had 1,050,000 options exercisable within 60 days. They were all exercised.

Not far behind Wren was CFO Randall Weisenburger, who sold stock worth \$46.6M that cost him \$12.8M to via options for a net gain of \$33.8M. He exercised options for 550,000 shares. His pay in 2012 included \$1M in salary; \$5,869,043 in cash; \$3,597,156 in Performance RSUs and "other" of \$130,348 for a total of \$10,571,547. Our total for Weisenburger is \$44,373,841 which would land him in the Bolt "Top 15" since No. 15 on the list is Howard Schultz of Starbucks who earned \$41.4M at a company with \$13.6B in sales.

The 2013 notice says BlackRock, the investment management firm with a market cap of \$47 billion, now owns 13,433,977 shares (5.1%) in OMC, becoming the second largest investor after the 28,630,083 shares (10.9%) held by Mass. Financial Services Co.

#### **Wren Paid More than Dimon**

Wren, according to Bolt, was paid more than No. 12 on the list, Jamie Dimon of JPMorgan, who only drew down \$41.9M. Dimon heads a company with \$108 billion in revenue while OMC only generated \$14.2B.

Other companies on the list had far higher sales than OMC. Highest paid exec John Hammergren of McKesson hauled in \$131M but headed a company with \$112B in revenue. David Cote of Honeywell earned \$55.7M while his company took in \$33.6B in sales.

The numerous pay schemes at OMC take up 26 pages in the proxy statement and include, besides the PRSUs, base salary, annual performance-based compensation awards, incentive bonus plan and the "Senior Executive Restrictive Covenant and Retention Plan" (SERCR) that provides pay for 15 years following voluntary termination.

Bolt, in highlighting CEO pay, has latched onto one of the hot button issues of the day—income disparity.

Those in the top one percent of income doubled their share of the nation's collective income from about 10% to about 20% from 1979 to 2009, said an article in the *New York Times* May 19 by Timothy Noah, author of *The Great Divergence: America's Growing Inequality Crisis and What We Can Do About It*.

Since 2009, he wrote, the one-percenters have had an 11% rise in income while the 99-percenters saw their

income fall slightly. Unions now only enroll 7% of the private sector labor force vs. nearly 40% 60 years ago.

#### **Minow Not Involved in OMC Criticism**

Nell Minow, a founder of GMI Ratings, said she was not aware that activist John Chevedden included criticism of Omnicom by GMI that was carried by the proxy for the 2013 annual meeting of OMC. The Chevedden proposal, which was defeated, noted that GMI had given OMC a "D" since 2005 on governance practices, executive pay and director qualifications.

GMI's research, according to its website, is provided for the exclusive use of client companies. Its board includes Gavin Anderson, who headed Gavin Anderson & Co., an OMC PR firm.

Minow, daughter of former FCC Commissioner Newton Minow, has been a critic of executive pay levels and ineffective boards for many years noting there are too many "consensus builders" on boards who are dominated by "dynamic CEOs who are used to having everyone say 'yes.'" She called this a "recipe for catastrophe."

#### **OMC Directors Get 25% Boost**

The 11 outside directors of OMC received \$2,474,667 in cash and stock in 2012 (average of \$224,969), a 25% boost from the \$1,971,444 they were paid in 2011.

Directors of the Standard & Poor's 500 were paid an average of \$251,000 in 2012, the sixth straight year of increases. The Chevedden proposal says too many OMC directors have served too long, which may "therefore hinder their ability to provide effective oversight."

The directors are:

**Alan Batkin**, 67, director since 2008, compensation and finance committees; vice chair, Eaton Park Mgmt.

**Mary Choksi**, 60, dir. since 2011, audit committee, Strategic Investment Group.

**Robert Clark**, 68, dir. since 2002, governance committee, audit committee, Harvard Law School.

**Leonard Coleman**, 63, dir. since 1993, chairman of executive comm., member, compensation and governance comms.; ex-senior advisor, Major League Baseball.

**Errol Cook**, 72, dir. since 2003, audit and governance committees, ex-Warburg Pincus.

**Susan Denison**, 66, dir. since 1997, vice chairman, compensation, member, governance.

**Michael Henning**, 71, dir. since 2003, vice chairman, audit committee, member, compensation committee; ex-Ernst & Young.

**John Murphy**, 78, dir. since 1996, chairman, audit, member of finance and executive committees; ex-National Geographic Society.

**John Purcell**, 80, dir. since 1986, chairman, governance, member finance and executive committees; ex-CEO, Grenadier Assocs.

**Linda Johnson Rice**, 54, dir. since 2000, compensation and governance; chairman, Johnson Publishing Co.

**Gary Roubos**, 75, dir. since 1986, chairman, compensation, member, finance and executive committees, ex-chairman, Dover Corp.

— **Jack O'Dwyer**