

The NewsGuild-Communications Workers of America
501 Third St., NW, 6th floor
Washington, DC 20001
newsguild.org

CONTACT: Guild President Bernie Lunzer (202) 434-7175

FOR IMMEDIATE RELEASE
March 12, 2018

WASHINGTON, DC — (March 12, 2018) New York hedge fund Alden Global Capital siphoned hundreds of millions of dollars from one of America's largest news chains, damaging local news organizations to finance insider investment deals, according to a lawsuit filed recently in a Delaware court.

Alden is the controlling owner of Digital First Media newspapers, also known as MNG Enterprises Inc., the second largest newspaper chain by circulation in the United States. The hedge fund has ordered round after round of newsroom job cuts, fueling a growing revolt by Digital First Media workers.

Last week, a team of Pulitzer Prize-winning journalists in the San Francisco Bay Area conducted an unprecedented news conference to publicly condemn the secretive hedge fund's destructive business practices.

Now, a minority shareholder in the news chain, the hedge fund Solus Alternative Asset Management LP, is taking Alden to court over nearly identical claims. The lawsuit suggests that employees at Digital First Media news organizations are hardly the only ones unhappy with Alden's stewardship — a disaster not only for local journalism, but also for some of Alden's own hedge fund peers.

Solus alleges Alden has mismanaged its newspapers through insider transactions, self-dealing, and a murky web of Alden subsidiaries.

A detailed summary of the controversy by investigative reporter Julie Reynolds appears today at dfmworkers.org, a website sponsored by The NewsGuild-CWA, a Washington, D.C.-based union that represents Digital First Media workers in the San Francisco Bay Area; Monterey, CA; Denver, CO; St. Paul, MN; suburban Detroit, MI; suburban Philadelphia, PA; and Kingston, NY.

Reynolds has been reporting for more than a year on Alden's top executive, Heath Freeman, and Alden's use of subsidiary companies to divert hundreds of millions of dollars from the newspapers into reckless investments.

In a column published Friday by Harvard University's NiemanLab, newspaper business analyst Ken Doctor wrote that diverting newspaper funds in this way amounts to "a legal looting of the public trust."

Alden prefers to operate behind closed doors and its executives almost never comment publicly. But the new lawsuit shows Alden can count on increasing scrutiny — and new pressure to explain itself, both to its workers and in court.

###