



# Digital First Media Membership Bulletin

October 8, 2018

## DFM workers deserve their share of company's huge profits

Union representatives will press management to increase the pay of workers at Digital First Media newspapers nationwide when wage negotiations resume on October 11 in Philadelphia.

The message will be simple: Our award-winning employees deserve their share of the massive profits that DFM is earning from their work. **Most DFM employees only have received one raise in 10 years.**

The unions' joint bargaining committee, which spans 13 bargaining units, notified DFM management on October 3 that it's now proposing a raise of 4 percent retroactive to July 1, 2018 - effectively scaling back its most recent proposal to resolve wage re-openers for 2017 and 2018.


The committee requested management's response when negotiations resume on October 11.

Digital First Media earned **an astounding \$160 million in profit** for the fiscal year ending June 30, 2017, according to leaked internal documents published by media analyst Ken Doctor, who said earlier this year that Alden Global Capital had turned DFM into a "non-stop cash register."

REGION	FY 2017 REVENUE	FY 2017 EXPENSES	PROFIT	MARGIN
Bay Area	194,000,000	153,000,000	41,000,000	21%
Colorado	187,000,000	151,000,000	36,000,000	19%
Southern CA	270,000,000	247,000,000	23,000,000	8%
Philadelphia	61,000,000	43,000,000	18,000,000	30%
Northern CA	51,000,000	40,000,000	11,000,000	21%
St. Paul	76,000,000	66,000,000	10,000,000	13%
Michigan	45,000,000	38,000,000	7,000,000	15%
Ohio	22,000,000	16,000,000	6,000,000	27%
Massachusetts	19,000,000	14,000,000	5,000,000	26%
New York	14,000,000	12,000,000	2,000,000	14%
<b>TOTALS</b>	<b>939,000,000</b>	<b>780,000,000</b>	<b>159,000,000</b>	<b>17%</b>

That \$160 million equals an average 17 percent profit margin across the chain — **twice what most newspaper companies earn.**

No figures are yet available for 2018, but DFM has continued to cut staff over the past year while continuing dubious and money-losing investments in other ventures. In the case of Fred's pharmacy, Alden invested money that was siphoned out of DFM newspapers.

DFM workers can show their support for the negotiations on social media using the hashtags **#AldenExposed** and **#InvestOrSell.** 

**How a hedge fund newspaper owner spends \$20 million:**



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## How hedge fund Alden Global Capital is pillaging your hometown paper

- Alden Global admits in court documents it has **secretly siphoned hundreds of millions of dollars** from local news organizations for its own use, often using Cayman Island-based subsidiaries.
- Under Alden's ownership, **scores of DFM papers across the country have been gutted**, leaving nothing but bare-bones staff.
- News analyst Ken Doctor says Alden's plan is to siphon off profits with NO reinvestment **until there's nothing left — which could happen in 2-3 years**.
- Since Alden took over, staff at DFM newspapers has been cut by **more than 66 percent**.
- After the Denver Post's editorial board bravely exposed Alden's ruthlessness, the hedge fund began retaliating and censoring coverage of its actions. **On April 25, censored Boulder Daily Camera editor Dave Krieger was fired for speaking out on his personal blog, and reporting on Alden has been censored at the Kingston (NY) Daily Freeman.**
- Alden founder Randall Smith has cashed in on his DFM investment by buying 16 Florida mansions — worth more than \$50 million — one year after becoming the primary equity holder in DFM newspapers. He also owns two more mansions in the Hamptons **worth more than \$25 million.**
- Alden President Heath Freeman spends DFM profits on his East Hampton mansion, fitness centers and boutique coffee shops. He **spent \$119,000 on a Duke basketball jersey** — enough to pay for more than two reporting jobs for an entire year.
- Alden invests in companies accused of **fraud, corruption and environmental devastation** around the world.



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## Alden and ex DFM execs prosper despite lawsuits and bad investments



**Newspaper executives** from Alden Global Capital and Digital First Media took home six-figure compensation from a failing pharmacy investment last year, even as sales and share prices in the drugstore chain were plummeting.

Alden, the Manhattan-based vulture hedge fund that owns the DFM newspaper chain, has conspicuously downsized in the past year as it grapples with lawsuits, widespread negative publicity about its plundering of local newspapers, and some prominent bad investments.

But none of this bad luck has stopped Alden's executives — including president Heath Freeman and former Digital First CEO Steve Rossi — from raking in six-figure paydays from an investment that was literally made at the expense of newsrooms across the country. **READ MORE at [DFMWORKERS.ORG](http://DFMWORKERS.ORG)**