



February 25, 2019

## DFM workers to stage joint action Feb. 27 to gear up for negotiations

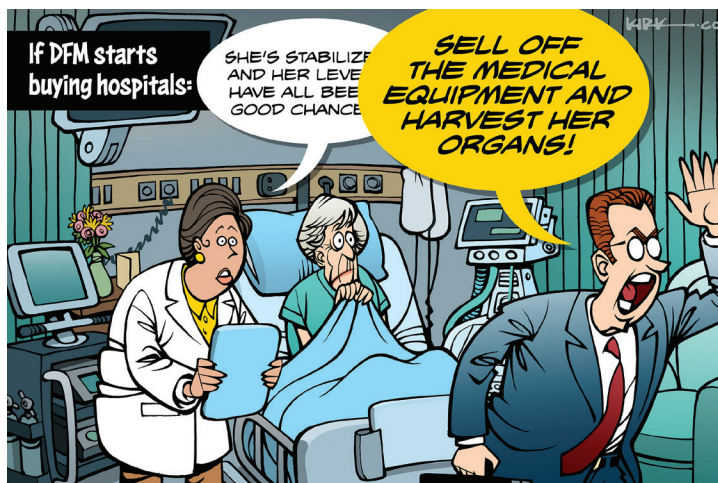
**While Alden Global Capital** continues to circle Gannett and its vast trove of real estate assets, workers at 12 DFM bargaining units across the country are preparing for contract negotiations that begin this May.

**So heads-up:** This Wednesday, February 27, unionized DFM workers will take part in a nationwide solidarity action to mark the three-month countdown to negotiations. Wear your #NewsMatters shirts that day and bring your Democracy banners, with additional details to follow from your unit leaders.

Alden execs wrung double-digit, industry-leading profits from DFM newspapers in 2017 and 2018 while siphoning money from DFM to buy stock in the failing Fred's pharmacy chain, where three Alden and former DFM execs raked in nearly \$1 million in compensation last year.

**DFM workers will be pressing the case** for improved pay at the bargaining table, since Alden has agreed to only one raise in a decade. The nearly \$1 million paid to the Alden execs on Fred's board would cover a \$1 an hour raise to all 487 Guild workers at 12 newspapers for a year.

As part of bargaining preparations, many DFM locals will distribute a joint bargaining survey to members in mid-March to identify priorities and to gather specific comments and feedback. That information will help each bargaining unit to frame its own



proposal.

All 12 Guild contracts expire July 31; the Denver Mailers' contract expires in September. DFM rejected joint negotiations in 2019, but each bargaining unit will continue to work together to coordinate actions – exactly as we did when we launched the DFM Campaign in early 2016.

Since last month, Alden has been in the news more

than any time since last spring's Denver Rebellion because of its hostile takeover bid for Gannett, the nation's largest newspaper chain.

### **The effects of the DFM Campaign are clear in the news coverage.**

While Alden was little known in early 2016 when we launched our campaign, Alden is now widely reviled inside and outside the industry as the “destroyer of newspapers.”

Earlier this month, Alden nominated six candidates to challenge Gannett's current board of directors – including Alden President Heath Freeman, former CEO Steve Rossi, current COO Guy Gilmore, and DFM Chair Joseph Fuchs.

Several analysts say Alden's aim is to plunder Gannett by selling its vast real estate holdings and gutting staff – exactly as it has done to DFM newspapers. We'll continue to demand that Alden invest in its workers and newspapers – or sell to responsible owners that will.



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## Got Local News? Not if the Vultures at Alden Capital Grab Gannett

**“Journalism will only die if we choose not to fight for it,” says Representative Alexandria Ocasio-Cortez.**

**By Julie Reynolds**

The vultures are circling again. The same hedge-fund investors at Alden Global Capital who sucked the life from scores of US newspapers to buy themselves mansions in Palm Beach now want to buy the Gannett company, owner of the country's largest newspaper chain. If Alden's hostile takeover succeeds, the hedge fund's Digital First Media company would gain control of Gannett's 100-plus local newspapers as well as Gannett's flagship publication, USA Today. Digital First, which has a long record of stripping the staff and assets of newspapers, would become the largest newspaper chain in the country. And journalism—enabling the informed public that democratic governance requires—would suffer another grievous blow.

Modern-day descendants of trust-busters like Teddy Roosevelt and of free-press champions like I. F. Stone have assailed Alden's takeover bid and urged federal officials to block it.

“The fact of the matter is the current monopoly trend is societally and economically unsustainable,” Representative Alexandria Ocasio-Cortez (D-NY), tweeted. “We simply can't accept the cliché that ‘journalism is dying.’ Journalism will only die if we choose not to fight for it—and if journalism dies, our democracy will, too.”

“Staffing cuts mean that there are fewer reporters where they are needed most—on the streets and in the halls of power,” Thomas Peele, a Pulitzer Prize-winning reporter at the East Bay Times in California, told *The Nation*. Peele, who experienced Digital First's staffing cuts at the San Jose Mercury News, added, “We won't know what happens when people in power feel emboldened that no one is looking. So communities suffer.”



Denver Post employees display placards during a rally against the paper's hedge-fund-backed ownership group, Alden Global Capital, on May 8, 2018. (AP Photo / David Zalubowski)

“We cannot understate the threat monopoly poses to the free press,” said Barry Lynn, the executive director of the Open Markets Institute. “It's time our policy-makers and regulators do their jobs and break up these monopolies, before they destroy our democracy.”

Digital First announced its takeover bid on January 14, proposing to buy Gannett for \$1.36 billion. The bid was coordinated with Digital First's owners at Alden Global Capital, who are headquartered in New York City's infamous Lipstick Building, where investment fraudster Bernie Madoff once held court.

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## New filings show Alden Global Capital is picking up Tribune stock

### Hedge fund's other new investments include troubled offshore oil firms

**Alden Global Capital**, the hedge fund currently attempting a hostile takeover of newspaper giant Gannett Co., is also quietly picking up shares of Tribune Publishing Co.

Alden is majority owner of the newspaper chain Digital First Media (now rebranded as MNG Enterprises), where it has become infamous for extreme layoffs and a “chop-shop” strategy of siphoning its own papers' resources for short-term profits.

In the last quarter of 2018, Alden bought 55,000 shares of Tribune stock worth about \$624,000, the hedge fund's most recent Securities and Exchange Commission filing shows.

The investment is paltry compared to Alden's purchase of 5.5 million shares of news giant Gannett, but it indicates Alden's interest in continuing to exploit the volatile newspaper industry.

Alden valued its Gannett shares at nearly \$47 million, the filing shows.

Since January, Alden has been attempting to take over Gannett, an acquisition that would presumably include billions of dollars' worth of the chain's real estate. Alden would likely sell off those assets through its subsidiary Twenty Lake Holdings, just as it did to nearly all of Digital First's

plants, buildings and land.

This month Alden nominated its own slate to run for Gannett's board. Elections will take place at Gannett's next annual shareholders' meeting, most likely in early May. If successful, a takeover would make Digital First the largest newspaper chain in the country.

Alden last week again upheld its reputation as the most draconian cost-cutter in the industry by putting one editor in the impossible position of overseeing more than 50 dailies and weeklies across California.

Complicating matters further, Gannett is also in talks with Tribune about a possible merger, and now the McClatchy chain and Tribune are reportedly in merger talks.

According to Alden's SEC form 13-F, Alden also is investing heavily in offshore oil firms, picking up 155,600 shares of Houston-based Diamond Offshore Drilling and 204,000 of Transocean Ltd.

Diamond was sued by employees in 2013 over their alleged exposure to asbestos-containing drilling mud. Diamond admitted their manufacturing drilling mud did contain asbestos at one time, but said the practice “had already ceased before we acquired any of the drilling rigs addressed in these lawsuits.”

It was Transocean's rig that exploded during the 87-day-long Deepwater Horizon oil spill in



2010, and the firm has been plagued by accidents in recent years, a *Wall Street Journal* investigation found.

Other new investments for Alden include the purchase of 229,000 shares of Deutsche Bank and 262,000 shares of General Electric. It also bought 339,000 shares of struggling Texas-based oil producer Halcón Resources.

Alden's past investments have included companies plagued by corruption and environmental scandals in Russia, Brazil and Angola.

Alden has also admitted it used \$158 million of Digital First Media's funds to invest in the Fred's Pharmacy chain, quickly losing more than 80 percent of that investment's value. It also controls the Payless ShoeSource chain, which appears poised to close all of its more than 2000 stores nationwide.