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BY FACSIMILE (301-405-8323) AND U.S. MAIL AND EMAIL

Editor
American Journalism Review
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University of Maryland, 1117 Journalism Building
College Park, MD 20742-7111
editor@ajr.umd.edu

Re: Ampersand Publications LLC and the Santa Barbara News-Press: American Journalism Review -- "December/January Preview"

Dear Sir or Madam:

We are litigation counsel for Ampersand Publications LLC ("Ampersand"), owner and publisher of the Santa Barbara News-Press. We are writing with respect to the article published as a "December/January Preview" and available, *inter alia*, on your website, entitled "Santa Barbara Smackdown" by Susan Paterno (the "Article")

Your Article contains very serious false and defamatory accusations against our client. As a whole, these statements convey to the reader that Ampersand is an unethical corporation engaged in improper and unethical business practices and that the Santa Barbara News-Press is a deficient product whose news reporting is compromised by excessive editorial interference by its owners and publishers. This is false, as are the numerous "events" that the Article purports to describe and use as support for its egregious attacks on our client and its newspaper.

We hereby demand a retraction of the false and defamatory assertions that Ampersand is an unethical corporation engaged in improper and unethical business practices and that the Santa Barbara News-Press is a deficient product whose news reporting is compromised by excessive editorial interference by its owners and publishers. We further demand a retraction of each and every false or misleading statement or description of alleged events, including for example,

a "[Former editor] Roberts was ordered to kill a story about the editorial page editor's drunk-driving sentence." This is misleading. In June 2006 Mr. Armstrong was arrested for a non-injury drunk driving case. Arrests for drunk driving involving an individual such as Mr. Armstrong absent injury have traditionally not been reported by the News-Press under the standards and criteria established by Mr. Roberts, except in rare circumstances where a public official was involved. However, Roberts and Dawn Hobbes targeted Mr. Armstrong and

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wrote a story out of proportion to the event and not consistent with the paper's historical treatment of such subjects. Mr. Roberts later told Armstrong he was going to write a second story about the incident, this one to cover the "sentencing" and Mr. Armstrong complained to management of Robert's harassment. Thereafter, Mr. Roberts could not defend the position that the story was newsworthy, and was requested not to publish the second story because it was obvious his animus towards Mr. Armstrong was causing him to depart from the manner in which he typically directed reporting on these types of issues.

b. "When she [Wendy McCaw, owner of the News-Press] put the editorial page editor in charge of the newsroom, then left with the restaurant critic on a month long Mediterranean cruise aboard her multimillion-dollar yacht, the editors figured it couldn't get much worse." This is false. Among other things, Mr. von Wiesenberger was co-publisher, and was not a restaurant critic. Mr. Armstrong became acting publisher while the co-publishers were out of the country and was in charge of the overall publication of the newspaper. Mr. Roberts remained in his position as editor, in charge of the newsroom.

c. "More than half of the 50-member News-Press newsroom has resigned or been dismissed since then." This statement clearly suggests a mass firing. In fact, only five were involuntarily terminated, and those terminations were for cause.

d. "McCaw's attempt to silence everyone from former and current employees and competitors to community members, the Teamsters, the Santa Barbara Independent, even Vanity Fair and AJR, by threatening or filing lawsuits against them." This is false and Mrs. McCaw did not attempt to "silence" any of the above individuals or entities. For example, her representatives wrote to three former employees and requested them to abide by their confidentiality obligations, ones which they agreed to follow in working for the News-Press. Her representatives wrote to a competitor not to "silence" them. They wrote to two newspapers to ask they cease violating Ampersand's intellectual property rights.

e. "McCaw has consistently refused to comment on the upheaval at her newspaper, says Communications Manager Agnes Huff." Among other things, Ms. Huff never said that Mrs. McCaw had "consistently refused to comment" and, in fact, Mrs. McCaw has commented on the events at the newspaper, both on the pages of the News-Press and to media outlets such as the New York Times. Ms. Huff is not Communications Manager for plaintiff, nor is she an employee but a public relations consultant.

f. "But after buying the paper from the New York Times Co. in 2000 and promising to have no role in newsgathering, McCaw began whacking away, her lieutenants firing one editor after another, presiding over the dismissal or resignation of five publishers in five years, destroying friendships, families and livelihoods, until it was Jerry Roberts' turn to bend to her will." This statement is untrue in numerous respects, including without limitation the implication that people were fired for failing to "bend to [Mrs. McCaw's] will."

g "Roberts spent his final years at the News-Press fiercely protecting the wall against McCaw, who flattened it last summer, . . ." This is untrue in several respects. First, Mr Roberts himself served as both editor and publisher of the News-Press for over a year and was responsible for directing the activities of the newsroom at that time. He further sought at all times to improperly influence the editorial pages and keep out letters critical of articles his reporters wrote. Second, Ampersand management did not improperly interfere with or seek to control news reporting and its activities were consistent with the responsible management of a publication.

h "In the next two years, though, [Wendy McCaw's] largely unexplained directives led to confusion, turmoil and turnover, with benefits and overtime pay slashed, newsroom decisions challenged and executives fired or forced to resign after refusing to do her bidding. . . ." This is false in numerous respects. Among other things, until the events of the summer of 2006, the News-Press saw only normal turnover and Ampersand made only ordinary personnel decisions about hiring, firing and overtime. With respect to supposed "challenges" to "newsroom decisions," Ampersand's management's involvement in the general direction and quality of news reporting was well within appropriate limits.

i "Through her executives, McCaw worked her will: 'It was always about news content and news reporters,' says an insider no longer at the paper. 'If one story wasn't the way she wanted it, it was 'off with their heads,' with Cole 'just doing her bidding.'" This statement is false. Mrs. McCaw had little involvement with any news gathering or content except for issues that are well within the appropriate limits for owners such as general direction and insistence upon good writing and accuracy.

j "As the newsroom strengthened, the paper's opinion section grew more virulent under the direction of Travis K. Armstrong, a 38-year-old openly gay American Indian, former San Jose Mercury News editorial writer and registered Democrat. Strean and Roberts mostly ignored him, Strean says, but Armstrong's columns 'created lots of problems for our reporters. Whenever we went into the community, we had to listen to complaints.'" This statement attacking the quality of News-Press editorials under Ampersand management and blaming reader complaints on Mr. Armstrong is false. Complaints of readers were measured by a survey conducted by the independently commissioned Media Consulting survey group, MORI, in 2005. The results were that 63% of the readers in the MORI study found that the stories contained too much of the bias of the reporters. On the other hand, the editorial page supervised by Mr. Armstrong was highly rated by the readers; 74% of readers rated positively. In fact, the News-Press editorial page was just given an award for the Best Editorial Pages in its circulation category by the California Newspaper Publishers Association and was given the first ever award from the Humane Society of the United States for Outstanding Newspaper Editorials.

k "The arrangement worked well, Strean says, until spring 2004, when McCaw insisted on previewing stories mentioning Brian Cearnal, a prominent Santa Barbara architect she was suing for malpractice. An ugly scene ensued in June when McCaw ordered

Roberts to publish a piece touting her alleged legal victory over Cearnal, Strean says, a story that had no comment from the architect and whose facts were disputed by his partner. After a while, McCaw wanted Roberts to publish four pages of her boyfriend's restaurant reviews. Though McCaw 'continually pursued it,' Roberts 'kept arguing against it,' Strean says, and refused to implement her directive. Finally, McCaw stopped meeting with Roberts and then 'quit speaking to him.'" This is false in numerous respects. Among other things, Ampersand management did not improperly interfere with or influence news reporting. Roberts sought to not publish an article on pretextual grounds; while the paper reported Mrs. McCaw having been sued, Roberts sought not to publish a story of her prevailing in the matter. Mrs. McCaw did not order four pages of restaurant reviews to be published. Mrs. McCaw stopped meeting with Mr. Roberts after he became verbally abusive towards her.

l. "While bloggers reported what McCaw wanted squelched, another newsroom drama was unfolding. Michael Todd, the business editor widely admired for his intelligence and acerbic wit, made a joke to part-time photographer Ana Fuentes that she construed as a death threat. Though much of what transpired between them is disputed, neither argues the basic facts: Todd saw Fuentes in front of a downtown store in late May; when he next saw her, he made what he considered a joke about hitting her with his car. Everyone agrees Fuentes laughed although she says she thought it was 'weird,' and the rest of the story is unclear." This entire description is false. Mr. Todd admits making an initial threat and following it -- when questioned by Ms. Fuentes -- by the statement that he had thought about it and would not run her over with his car but would shoot her with a gun because running her over would be too messy, body parts all over his car grill. Ms. Fuentes reported the incident to News-Press management, but led by Roberts, it failed to follow procedure and report it to HR. Frustrated by lack of action, Fuentes sent her complaint to the publishers. As employers, they were obligated to timely investigate and act upon this issue and the court agreed that probable cause existed when it granted an "Order to Show Cause" against Todd.

m. "(The News-Press pursued a restraining order against Todd in connection with the Fuentes episode in July, costing him close to \$7,000 in attorney's fees, he says, before dropping the case in late October.)" This statement is seriously misleading as it omits the fact that the proceeding, a Petition of Employer for Injunction Prohibiting Workplace Violence Against Employee, was rendered moot when, months after the filing of the complaint, Ms. Fuentes left her employment at the News-Press and neither Mr. Todd nor Ms. Fuentes worked at the News-Press.

n. "The paths carrying Todd, Fuentes, McCaw and Armstrong converged on a Friday morning in June, when reporter Dawn Hobbs returned from the courthouse with a report on Travis Armstrong's drunk-driving sentence. Orders 'from on high' forced Roberts to kill Hobbs' story, says then Deputy Managing Editor Murphy. ..." This issued was addressed in paragraph (a) above.

o The Article describes the News-Press' reporting of the address of a residence owned by actor Rob Lowe and his wife. It then states that "Todd and McCaw exchanged a series of blistering memos, with Todd censuring McCaw for granting a celebrity privacy rights exceeding 'those given to average citizens' McCaw suspended him without pay pending an investigation into the Fuentes incident, blasting him for 'careless news judgment,' for prompting the Lowes to cancel their subscription and for potentially damaging 'relations with other high profile readers'" Among other things, this is seriously misleading insofar as Mr Todd was suspended pending the investigation into Ms Fuentes' complaint -- not for anything to do with the reporting of Mr Lowe's address -- and even the writer of the Lowe article was not suspended

p "While [the co-publishers] were gone, Armstrong ordered Cohee to rewrite a routine story about a local city council member's resignation 'to reflect the editorial position of the paper,' Murphy says" This statement, which states explicitly that the news reporting was being influenced by the paper's editorial position, is false Ms Cohee was given typical and proper direction and guidance for this Page One profile, which was among other things less than complete and thorough. Mr Armstrong did not tell her to rewrite the story to "reflect the editorial position of the paper"

q "Executives threatened to terminate anyone 'sharing or leaking information involving the News-Press to any other news organization,'" according to a News-Press memo. This is misleading and suggests reverse timing The policy memorandum referred to in the Article was written by Jerry Roberts in June and distributed well before he and others resigned Such confidentiality policies are common and standard for most organizations to protect their proprietary information

r "Shortly thereafter, Managing Editor Foulsham also resigned, citing the same reasons Murphy had articulated [that is, alleged ethical breaches]" In fact, Mr. Foulsham cited no such reasons when he resigned. He expressly stated that he was resigning due to "stress" and marital strains that "stress" was causing as well as a difficult commute. He made no reference to ethical breaches

s "What happened next was a scene out of 'The Battle of Algiers,' a former editor says, with Armstrong 'roaring' into Roberts' office, 'face all red,' yelling, 'I want you out of here right now!' Someone shouted: 'Jerry's getting kicked out!' prompting reporters and editors to rush forward and form a tight ring around Roberts, while Armstrong, tugging on Roberts' sleeve, repeated, 'C'mon, you've got to get out now!' This is an untrue and inaccurate account of what transpired In fact, Mr Roberts gave 30 days notice prior to 9:00 A.M., but asked to be allowed to not come to work for his final 30 days His request was granted and, as is ordinary policy, he was escorted out by the Human Resources director Among other things, Mr Armstrong did not yell or "roar" or use the words "now" nor did he touch Mr. Roberts nor did he escort him out of the building

t "Armstrong had brought down Roberts, and the wall " This is not true
Ampersand management did not improperly interfere with or influence news reporting. Mr
Roberts voluntarily resigned and his resignation was not caused by Mr. Armstrong. In his
lengthy resignation letter, Mr. Roberts did not accuse Mr. Armstrong of bringing him down.

u. "Hadly wrote a story about the resignations gave it to the copy desk and
left for a meeting with his colleagues and a union representative. Around 10 p.m., Armstrong
killed it. " Again, the Article is misleading by failing to tell its readers that Mr. Hadly's article
was not published because it did not carry out his assignment which was specifically to write a
brief factual article as to who left the paper, their length of service etc.

v "Those who resigned left 'because the hands of the executive suite and op-
ed department had extended their reach so far into the newsroom that their fingertips were on
the reporters' keyboards." " Among other things, the accusation of direction by executives and
"op ed" is patently untrue; Ampersand management did not control the reporters' stories other
than to set direction, and demand quality and accuracy so as to ensure that the paper would
meet journalistic standards.

w "Human resources manager Apodaca forbade Roberts from retrieving his
belongings, hiring a delivery service to return enough boxes to fill a storage room, along with an
envelope one of the workers handed his 16-year-old daughter, a cease-and-desist letter from
McCaw's attorney that basically said: 'Shut your pie hole or we'll sue you to kingdom come,' says
the Independent's Nick Welsh, who along with several others received similar letters." This is
false. Among other things, Mr. Roberts was informed in writing that he should cease violating
the confidentiality agreement he signed as part of his executive employment agreement when
hired, which Roberts admits he is subject to. The letter was hand delivered by a messenger to
Mr. Roberts' home, in an envelope addressed to Mr. Roberts. If his 16 year old daughter indeed
read it as the Article suggests, it is surely no fault of plaintiff's. Mr. Welsh did not receive a
"similar letter."

x "In his first public address since resigning, Roberts enumerated the many
ways McCaw and her loyalists had failed to 'distinguish between advocacy and reporting,
obliterating the metaphorical wall that stands to separate them.'" Among other things,
Ampersand management did not fail to distinguish between advocacy and reporting and did not
improperly interfere with or influence news reporting.

y "Steepleton fired the features editor for allowing health columnist
Michael Seabaugh to make a passing reference to Laura Schlessinger's preaching 'against
tolerating diversity' as 'a waste of time.' The article is false. Indeed, it states that Mr. Seabaugh
resigned and was fired. In fact, Mr. Seabaugh chose to stop working for the News-Press.

z "Roberts beseeched the audience to struggle every day 'to ensure the
values, principles and ethics that define public interest journalism.'" This is another claim that

the News-Press is a deficient product resulting from management's alleged improper interference with and influence on news reporting and is untrue

aa "In the newsroom, fall brought union representation and a renewed commitment to securing a contract 'with guarantees that the wall will not be breached,' says a reporter . . ." Among other things, Ampersand management did not improperly interfere with or influence news reporting, and the union has not been certified to represent the newsroom

bb Fall also found McCaw on her yacht again with boyfriend von Wiesenberger, now using the title 'Baron,' the Dallas Morning News reported, with 'more pressing business than putting down [a] staff insurrection.'" This is untrue Co-publisher von Wiesenberger is not "now using the title Baron "

cc. "McCaw's attorney sent a threatening letter to prominent lawyers providing legal assistance to News-Press journalists " This is an inaccurate characterization of the letter and the attorneys to whom it was addressed; it urged attorneys who were making donations to supposedly aggrieved litigants to learn the facts before taking public positions None of the attorneys written to had indicated they were representing any litigant.

dd "[I]ntensifying a campaign of intimidation that has union leaders and newsroom veterans worried that News-Press executives will fire them just as they did Melinda Burns, an award-winning, 21-year News-Press reporter and union leader, in late October." This statement is false There was no intimidation of anyone and Ms Burns was fired for cause

We note that, while you purport to be commenting on the News-Press' journalistic standards and ethics, you demonstrate none of your own Your article is clearly biased and makes no effort to present an objective analysis. Indeed, your writer simply ignored our client's invitation to submit questions and check facts Had she done so, or had you insisted on fact checking, perhaps an accurate and fair article would have been published This is an outrageous and hypocritical departure from the standards of ordinary journalism

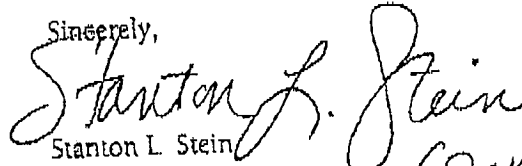
We demand that you immediately publish a full and complete retraction in substantially as conspicuous a manner in the American Journalism Review (including a prominent notice on the website) as the original Article was published and that you refrain from any republication of the material contained in the Article and from any future or further defamatory statements about our client. Please note that, while we are making this request in conformity with California Civil Code section 48a, we do not believe that your publication is protected by that statute and will not, even in the event of a published retraction, limit our demand for damages See *Condit v National Enquirer, Inc.*, 248 F. Supp. 945 (E D. Cal. 2002) We are, in any event, offering you the opportunity to attempt to mitigate damages, if such is possible, by the publication of a conspicuous and complete retraction.

You are not authorized to disclose the contents of this letter publicly or to disseminate it, except to the extent necessary to publish the demanded retraction

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This letter is not intended to constitute a full statement of all facts, rights, or claims relating to this matter, nor is it intended to be, nor should it be, construed as a waiver, release or relinquishment of any rights or remedies available to my client, whether legal or equitable, all of which are hereby expressly reserved

Sincerely,


Stanton L. Stein
(SLP)

cc: David J. Millstein, Esq
Samuel R. Pryor, Esq