



Search [input] Quotes & Research [input]
Advanced Search Symbol(s) Name

As of Friday, November 21, 2003

Other Journal Sites

- Home
News
Technology
Markets
Personal Journal
Opinion
Leisure/Weekend

MEDIA & MARKETING

Hollinger Board Investigates Other Payments to Executives

By MARK HEINZL and ELENA CHERNEY
Staff Reporters of THE WALL STREET JOURNAL

EMAIL PRINT



MEDIA & MARKETING: Visit the Online Journal's Media & Marketing Edition at wsj.com/media for breaking news and features. Sign up to receive a daily e-mail update.

advertisement

- In Today's Paper
Columnists
Portfolio
Setup Center
E-Mail Setup
Site Map
Discussions
Help
Contact Us
Log Out



Today In:

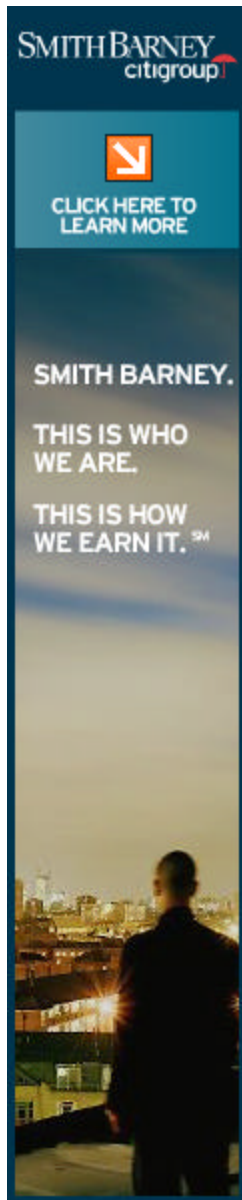


In the wake of turning up \$15.6 million of unauthorized payments to Conrad Black and other senior executives of Hollinger International Inc., a special committee of the newspaper company's board is looking at circumstances surrounding even larger payments to its executives, in connection with asset sales in Canada, people familiar with the matter said.

The \$15.6 million, plus a further \$16.6 million paid to Hollinger parent Hollinger Inc., controlled by Lord Black, were tied to Hollinger's sale of U.S. community newspapers and weren't authorized by Hollinger International's audit committee or full board, Chicago-based Hollinger International said this week.

Some Hollinger investors, however, are irked by other payments made to management that, according to company filings, were approved by Hollinger's independent directors.

Richard C. Breeden, the former U.S. Securities and Exchange Commission chairman who is advising Hollinger International's special committee, said following this week's disclosures that "we are reviewing a variety of issues concerning prior actions and



SMITH BARNEY
citigroup

CLICK HERE TO
LEARN MORE

SMITH BARNEY.
THIS IS WHO
WE ARE.
THIS IS HOW
WE EARN IT.™

@ Your Service
Trade 5 Free @ Lind-
Waldock. Click Now!

payments, and our efforts are intensifying as we move ... to an even broader spectrum of concerns."

Seeking to ease its debt burden, Hollinger in 2000 agreed to sell most of its Canadian newspapers to Canadian media concern [CanWest Global Communications Corp.](#) for about \$1.8 billion. As part of the transaction, CanWest required that Hollinger International, its then-chief executive, Lord **Black**, his holding company Ravelston Corp., and three other senior Hollinger executives enter into agreements with CanWest preventing them from competing with the newspapers sold to CanWest for five years.

Hollinger's 2003 10-K annual filing with the SEC says CanWest paid \$53 million for such a noncompetition agreement, and of that amount \$25.2 million was paid to Ravelston and \$27.8 million was paid to Lord **Black** and the other three senior executives. Hollinger's independent directors approved the terms of the payments, the filing says.

But CanWest spokesman Geoffrey Elliot said his company agreed only on an overall transaction price to acquire the newspapers and receive the noncompetition agreement from Hollinger and didn't negotiate a separate amount allocated for the noncompetition clause. That clause was "a part of the overall transaction," and the \$53 million amount was "established by Hollinger," Mr. Elliot said. CanWest paid the acquisition price to Hollinger and not to any individuals, he added.

Lord **Black** didn't respond to a request to comment. He stepped down Wednesday as Hollinger International's CEO, but he remains its nonexecutive chairman and controlling shareholder.



FIND
MUSIC,
MOVIES,
GAMES
& MORE AT
CIRCUITCITY.COM


 We're with you.™

▶ RECENT MEDIA & MARKETING
ARTICLES

FREE report! Get your Stock Market Outlook. [CLICK HERE](#)
 More Insights. Better Decisions. Visit The Business Insight Center.
 IBM Global Services - on demand thinking.
 Financial Workstations at PC Prices
 Middleware is Everywhere. See it with WebSphere software.
 Avoid the lines. continental.com check-in.
 Give the perfect gift: The Online Journal
 Order Free Annual Reports
 Order Free Fund Prospectuses

Similarly, when Hollinger agreed to sell other Canadian newspapers to Toronto-based Osprey Media Group Inc. in 2001, Lord **Black** and three senior executives received \$5.1 million in noncompetition payments that were approved by Hollinger International's independent directors, according to the SEC filing. An Osprey official wasn't available to comment.

Hollinger this week said the SEC has issued subpoenas for certain Hollinger documents.


Write to Mark Heinzl at mark.heinzl@wsj.com and Elena Cherney at elena.cherney@wsj.com

Updated November 21, 2003

 [EMAIL THIS](#)  [FORMAT FOR PRINTING](#)  [SAVE THIS](#)  [ORDER REPRINTS](#)

- November 24
 - [Time Warner, Bronfman Reach Deal](#)
 - November 24
 - [Four Directors Resign at Hollinger](#)
 - November 24
 - [U.K. Papers Downsize in Tabloid Wars](#)
- [MORE](#)

SEARCH MEDIA & MARKETING ARTICLES

Search for these words:
 
[Display all columns](#)

COMPANIES

Dow Jones, Reuters

[Hollinger International Inc. \(HLR\)](#)

PRICE	15.59
CHANGE	-0.18
U.S. dollars	12:16 p.m.

[CanWest Global Communications Corp. \(CWG\)](#)

PRICE	9.80
CHANGE	-0.25
U.S. dollars	11/21

* At Market Close

RELATED INDUSTRIES

- [Media & Marketing](#)

Personalized Home Page Setup

Put headlines on your homepage about the companies, industries and topics that interest you most.

[Return To Top](#)

[Contact Us](#) [Help](#) [Mobile Devices](#) [E-mail Setup](#) [Corrections](#)

[Account Information](#) [Privacy Policy](#) [Subscriber Agreement](#) [News Licensing](#) [About Dow Jones](#)

Copyright © 2003 Dow Jones & Company, Inc. All Rights Reserved



