

SITRICK & COMPANY

Crisis management experts with investor relations, media relations and public affairs expertise

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FOR some time now, this publication has argued that as public relations moves up the value chain and issues related to corporate reputation and public perception come to occupy more and more of the CEO's attention, management consultants and other professional services firms will come to recognize the opportunity to provide high-stakes, high-value communications services. In recent years, some consulting firms have tried to break into the strategic end of the PR business, but most have found it more difficult than they anticipated, which is why the smartest of them have sought to form alliances with the best of the existing players in that category: first FTI Consulting, which acquired FD, and in 2009, **Resources Connection**, a professional services firm best known for its work in the change management arena, which acquired Los Angeles-based strategic communications firm Sitrick & Company along with restructuring specialist Brincko Associates—for an aggregate initial consideration of \$43.3 million—to form a corporate advisory and restructuring subsidiary to be known as Sitrick Brincko Group.

According to Donald Murray, chairman and CEO of Resources: "Strategically, the acquisition of the business of Sitrick augments Resources' 'first in' capabilities as corporate issues arise and require immediate communication strategy formulation and execution. In such situations, companies often require significant assistance to react proactively to the business issues at hand. Such matters include business and financial restructuring, dispute resolution assistance, interim senior-level management or forensic accounting assistance. All one has to do is to read the daily headlines to see why we are so excited about this acquisition. Despite predictions that the recession is over, the business landscape remains littered with troubled companies and indeed whole industries. The constricted financing environment over the past couple of years has further exacerbated these problems and deepened the pipeline of troubled companies. We believe this transaction provides significant opportunities for growth."

Sitrick, with offices in Los Angeles, New York, San Francisco and Miami, specializes in corporate, financial, transactional and crisis communications. The firm has managed the strategic communications for approximately 300 companies in Chapter 11 including **Delphi, Conseco, Collins & Aikman, Federal-Mogul, Global Crossing, Interstate Bakeries, Laidlaw, Mirant Corporation, Purina Mills, US Airways, America West Airlines, Barneys New York and Worldcom**. This year, the firm is handling or has handled 15 Chapter 11 cases and five out-of-court restructurings. Headquartered in southern California, Brincko Associates was an international management consulting firm that has managed such restructurings as Barneys New York, **Consolidated Freightways, Knudsen Foods and Sun World International** and is currently working with **Spansion**.

Sitrick has earned the gratitude of clients and the (sometimes grudging) respect of reporters by approaching public relations challenges in much the same way a lawyer approaches a trial: the firm does its due diligence, researches the client and the issue, develops a strategy and then presents its case to the target audience the way a lawyer presents his or her case to a judge or jury. That means providing as much concrete evidence as possible to support the client's argument to convince the "jury" (in this case, either the media or a client's key constituents). It's an approach well-suited to Sitrick's areas of expertise, which typically find the firm working with corporations or individuals who are "on trial" in the court of public opinion.

The firm is also home to perhaps the most concentrated congregation of journalistic talent in the public relations business. The vast majority of its senior professionals are former editors, reporters, and correspondents at such publications as Newsweek, the Wall Street Journal, the Financial Times, CBS News, and NPR, with most of the others having spent time in senior corporate communications positions. Last year saw a significant strengthening of the firm's mergers and acquisitions capability with the addition of **Joe Giunta**, a former partner and co-head of M&A for the law firm of Skadden Arps Meagher & Flom. Other new hires included **Aaron Curtis**, former member of the editorial board, former technology editor and former deputy business

editor of the Los Angeles Times; **Dave Satterfield**, former managing editor of the San Jose Mercury News; **Tom Mulligan**, former Wall Street correspondent for the Los Angeles Times; and **Tom Vogel**, former Latin American bureau chief for The Wall Street Journal.

Despite the recession (or perhaps, in part, because of it) 2009 was another growth year. Highlights included work for the **estate of pop star Michael Jackson** (resulting in special thanks to the firm in the credits of the documentary *This Is It*); **Henry T. Nicholas III** in his defense against options backdating and drug distribution charges (which were eventually dropped); **Jamie McCourt**, former CEO and co-owner of the Los Angeles Dodgers in her divorce and battle for control of the team; **Jeffrey Gundlach**, former head of investments for TCW, after he was terminated and later in the establishment of his new firm; **Warren Spector**, after he was fired as president of Bear Stearns; **Abraxis BioScience** on the clinical trials of its cancer drugs; **Fairfield Greenwich** with respect to the Madoff scandal; singer **Chris Brown** with respect to coverage of domestic abuse charges; the **Catholic Diocese of Wilmington**; and **Morris Communications, Station Casinos** and **Spansion**, all on their Chapter 11 filings and restructurings.