



Cianci Leads Leveraged Buyout of Providence Journal

By Steve Triedman | photography by Jonathan Beller & Dan Schwartz

FORMER MAYOR AND CURRENT RADIO TALK SHOW HOST, VINCENT A. "BUDDY" CIANCI, JR. IS LEADING A leveraged buyout of the venerable *Providence Journal*. Cianci, working with the support of the largest investors in the *Providence Journal's* parent company's (A.H. Belo NYSE: AHC) J.P. Morgan and Barclays made the surprise tender offer as the company's stock went below \$1.50 a share from a high of \$13.45. It is believed that former Governor Bruce Sundlun and real estate tycoon, former Providence Mayor and U.S. Ambassador to Malta Joseph Paolino, Jr. and several other prominent RI families are also involved in the deal. The buyout is for \$1.88 per share, valuing the company at \$38,500,000.

The timing closely follows the bankruptcy filings of several other major newspapers, *The Philadelphia Inquirer*, the *New Haven Register* and the hundred year-old *Rocky Mountain News*.

"Even at the heavily discounted purchase price, the

new owners are going to have their hands full," noted *The Wall Street Journal's* senior media analyst. "Their state has been in the tank for awhile as they continue to hemorrhage market share and advertising to weekly and monthly newspapers." "They are in a freefall," agreed the senior newspaper analyst from TheStreet.com. "Older daily newspapers are especially vulnerable and 2009 will be the year many may falter and die," a threat long predicted but rarely taken seriously until the credit crunch blossomed into a full-fledged financial meltdown.

Even as industries deemed too important to fail, like autos and banks, are seeking bailouts, most newspaper publishers stubbornly have refused to give serious thought to the idea of a government bailout. The whole idea of the First Amendment and separating media and giving them freedom of control from the government is non-negotiable according to many publishers who will likely will soon find themselves unemployed. "Guess the sword may be mightier than

the pen after all," quipped CNBC.

There was shocked silence at 75 Fountain Street as what was left of the decimated staff of reporters tried to digest this cataclysmic change in the company's ownership and the effect it would have on the editorial and reporting areas of the newspaper. "I can't and won't work for him (Cianci). This is a travesty!" belted a political columnist who immediately stormed out of the auditorium following the announcement. Ironically, the columnist had taken early retirement last year and had just stopped by to fill his pockets with the free food that was always around the newsroom. "Oh that's just M. Charles being Chuckie," responded a less concerned new hire. In fact, a group of young reporters who only knew Cianci from the *Top Ten Reasons We Hate Buddy* poster in the newsroom expressed a willingness to give the new ownership a chance. "It's either this or blog city," noted one.

continued on next page...

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Many of the younger reporters had never met the ex-Mayor before and were taken aback by the difference between their new boss with and without hair. Cianci joined in the humor noting how much more simple his life had become without, what he affectionately called, "his squirrel" on his head. Suddenly snapping to attention, investor Bruce Sundlun was heard to mumble: "Squirrels? Squirrels! Are they in season? Where's my gun?"

Cianci, sounding like an elder statesman, explained the reason for the surprise purchase. "For most of its life, *The Providence Journal* was about news. Then it became about advertising, but the news was still important. Recently, it's been just about the scarole (money). Period. That's why when the RI economy cratered last year, it took about six months before word reached Dallas."

Speaking for the new owners, Cianci pledged to beef up the current news staff decimated by layoffs. "It's amazing that they've been able to even figure out which wire service story to run." When asked about what the staff can expect from a man once renowned for his explosive temper, the former mayor smiled and pledged a "kinder and gentler" Buddy Cianci. "We're going to work on diversity and a whole lot of other politically correct issues that I have learned about during my 'Sensitivity Training Classes' in New Jersey," he promised. "Sort of like you've been hearing on my radio show!"

The other new owners were more vague on the new changes planned for the paper. Downtown developer and a former Mayor Joseph Paolino suggested that "we'll keep in some stuff we understand, like the funnies, recipes and the Irish sports page (obituaries). And, while promising to end the unpopular practice of charging for death notices (and with a pointed nod to fellow investor and former Governor Bruce Sundlun, who had fallen asleep on the dias), Paolino also kept open the option of printing special sections if someone particularly important passed away.

Talk on Fountain Street was that many former reporters were updating their resumes and looking for flattering stories of Cianci to include in their applications. Old "Free Buddy" T-shirts were also seen for rent in the employees' lounge. Ironically, Cianci's colorful and lengthy career is often credited with keeping the *Journal* afloat in hard times. His relationship with the *Journal* has always been confrontational and he used to proudly boast that if he 'walked on water,' the *Providence Journal* headline would be "Cianci Can't Swim!"

"Shock and Awe" is the only way that you could describe the reaction at the State House and in government offices of the 39 cities and towns. NBC10 reportedly has hired three new weather bunnies, along with the recently retired John Ghiorsi, as it prepared to do battle with a re-energized *Journal*.

"I've always liked Buddy," commented Governor

Donald Carcieri. "His political career was rather colorful and I agree that he had his share of issues. Don't we all. But since he's been back from his "vacation," he's mellowed a bit. Well, at least he doesn't throw things anymore. I told my staff that I can't wait for our first editorial board meeting. Lunch with Buddy at The Capital Grille and him telling us what our position will be and why."

Providence Mayor David Cicilline, who has had a giant 'bull's eye' on his back since Cianci's return to radio, was resting comfortably at Butler after reacting to the news. A Cicilline spokeswoman noted that Rhode Islanders may draw their own conclusions about the former mayor's credibility as a good-government watchdog and journalist. When told of the Mayor's comment, Cianci stumbled from the 'high road stance' that he had been posturing first observing "Typical (unintelligible) response – like bringing a knife to a gunfight." But he quickly recovered and managed to re-climb his vaulted soapbox, "I'm thrilled to be able to quote Mark Twain, 'Never pick a fight with people who buy ink by the barrel!'"

Buddy had already transitioned into his rather-colorful radio-acquired lexicon where he constantly sprinkles his speech with a variety of Italian and Yiddish words and phrases. The staid Fountain Street crowd, taking new life and inspiration, were busy practicing it on each other. "If Buddy's the Grand *Fromage* (the Big Cheese) does that make us a bunch of *Surecillos* (dirty little rats) chasing him around?" queried a reporter who sounded like he was having a hard time ordering lunch at Venda.

"We need tenacious reporters who can report about the *brullions* (Dope or Idiot) that we've elected," explained a now comfortable Cianci. "There are 'Jackpots' (a Mess, a Minor Frittata) throughout our various seats of government and *frittatas* (a Big Mess, a Major Jackpot) all over the place and no one's reporting on them!"

Potential gubernatorial candidates Treasurer Frank Caprio, Attorney General Patrick Lynch and Lt. Governor Elizabeth Roberts were all effusive in their praise for the change with each trying to out-exuberate the other in their acclaim, admiration and tribute to the new publisher. Former Mayor of Warwick and U.S. Senator Lincoln Chaffee, another potential candidate for either Mayor of Providence or Governor, was resting comfortably in an adjoining room with Cicilline at Butler.

Steve Laffey, former Cranston Mayor, U.S. Senate candidate and one-time potential candidate for Governor, was his usual bi-polar combative self – describing Cianci's takeover of the *Journal* as both a "travesty and unmitigated brilliance" and then expressed extreme disappointment at not having been invited to participate.

U.S. Senator Sheldon Whitehouse, whose name Cianci continually pronounces in Pig Latin during his

radio rants, told a reporter that he called Buddy to congratulate him, and that Cianci told him that if he didn't shape up, "Your ass is grass and I'm going to be the lawnmower. We might even go special section on you," he warned.

The Providence Journal, the largest newspaper in Rhode Island, began publishing in 1829 and is the oldest continually published daily newspaper in the United States. Several prominent families in Providence, including the Metcalfs, Danforths and Sharpes, had major stakes in the ownership of the newspaper. Still the new owners are willing to pay homage to the grand old traditions of the paper. "I think we're going to ask all of our senior writers to Anglicize their first names or add a generation or two to their last," suggests Cianci.

For example Cianci was already hinting he might bring back former political reporter Scott McKay to be managing editor, noting that "I didn't always agree with the *figlio di una cagna* (son-of-a-bitch) but at least he knew how to report on a story and was a hell of a writer! My expectation is he'll return as F. Scott McKay III." Several other reporters were curious as to what would become of Mike Stanton, the *Journal* reporter who wrote the *Prince of Providence*, the unauthorized biography of the ex-mayor. "Well the *Phoenix* always referred to the paper as the *Providence 'Urinal'* so I'm sure we can find something for Mike to keep his hands busy."

The newspaper was sold to the Belo Corporation in 1996 and has gone steadily downhill since closing all of their satellite suburban departments. The once robust news organization is now a skeleton on life-support, relying on *New York Times* and wire service stories for the majority of the news. In its latest cost-cutting measure, the paper began outsourcing certain sections to Bangalore, India, as evidenced by the sports desk's recent front-page, above-the-fold story on Bengal's two-wicket victory over Delhi, due to an outstanding performance by batsman Manoj Tiwary.

In its heyday, the newspaper won four Pulitzer Prizes, but none in the last 15 years. Cianci has pledged to lead the newspaper back to glory, even if the next Pulitzer is about him.

WPRO-AM issued a statement that the entire staff was very disappointed to be losing their ratings juggernaut and 'midday super star' but wished him well" in his new venture. In an unrelated story, early morning host John DePetro was sanctioned for opening a case of champagne and lighting off fireworks during his show and forcing everyone at the station to "Toast the Mayor" on his departure as he ran down the halls yelling "Free...Free at Last. Great God Almighty... Free at Last."

The station also announced that they had signed former Speaker of the RI House, John Harwood to fill Cianci's timeslot.