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## Audio Transcript

Episode 218 of "[E&P Reports](#)" Vodcast Series  
with Mike Blinder

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### [A new film tells a story of how hedge funds are destroying local journalism](#)

In this episode of “E&P Reports,” we go one-on-one with twice Emmy nominated, documentarian Rick Goldsmith to learn why he spent more than 2-years creating his latest work: “*Stripped for Parts*” “a film that tells the tale of how newspapers business model is faltering, not just because of the loss of advertising and digital disruption; but also to capitalist greed, as hedge funds and corporate America buy them, sell their assets and leave the communities they serve without their local “voice” and a final check on power.



[music]

**0:00:04.2 Speaker 1:** This is E&P Reports, a vodcast from Editor & Publisher Magazine, the authoritative voice of news media since 1884. Serving newspapers, broadcast, digital, and all forms of news publishing.

**0:00:20.4 Mike Blinder:** And greetings once again, Mike Blinder, Publisher of E&P Magazine. As always, let's first urge you to follow us, or if you're listening on a podcast platform of a pleasure or a preference. Boy, do I love the alliteration there, Rick. If you're watching us on YouTube, please do me a favor and go to that subscribe button below, smash the bell to the right, or click it, and you'll get enough data each and every time we upload a new episode of this weekly vodcast series, E&P Reports, we've turned into a new year, and we have a brand new guest in our program, Rick Goldsmith. Rick, if I may be so bold, first, welcome to the program. And it's an honor to have you, sir.

**0:01:03.6 Rick Goldsmith:** Well, it's an honor to be on the show.

**0:01:05.7 MB:** You're currently the director and producer of a brand new documentary, which I am 93% through, sir, before recording this, and I hope there's not some kind of a tricky ending to it, but it's called Stripped for Parts, and it's a look at American journalism at the crossroads. It's an amazing piece, sir. Rick, with your permission, before we get into our dialogue, and let me share with our audience a trailer, I think that's what you call it, a trailer about his film.

[music]

**0:01:37.6 Speaker 4:** The Denver Post isn't dying. The Denver Post is being murdered.

**0:01:41.6 S4:** Alden Capital is murdering The Denver Post, and not only The Post, but papers from coast to coast.

**0:01:51.9 S4:** Newspapers are not just any other business, they are the only private industry specifically named in the Bill of Rights.

**0:02:03.7 S4:** There are times in your life when you were thrust into a situation where, are you gonna stand up and risk everything, or are you gonna back down?

**0:02:14.0 S4:** And this is not just the internet doing this, somebody is deliberately killing your hometown paper.

**0:02:25.4 MB:** It's an amazing piece, sir. And I want you to know that a lot of the people you've had on, that you interview in that movie, which you... I'm honored you'd let me look at it, have been on this program, like Steve Waldman and Stewart Bainum, and I could go on and on, and Penny Abernathy, or Larry Wickman. So it should be no... I guess, it should be no surprise to our viewers and listeners that this is a hard look at the world of, I guess, vulturism, am I using the right term, sir? And how it's impacting the journalism industry of today?



**0:03:04.4 RG:** Yes, it's the hedge funds and private equity in journalism, a new type of media baron, that these people have no experience or interest in journalism, per se, but they do have interest in making profits.

**0:03:20.6 MB:** Well, we're here to talk about Stripped for Parts, and we're gonna do all that on the back side of this message.

**0:03:23.5 S1:** This episode of E&P Reports is exclusively sponsored by BLOX Digital, formerly TownNews. Even though the name has changed, their commitment to the media industry is as strong as ever. BLOX Digital is now even better positioned to deliver integrated solutions like content management, audience development, advertising revenue, video management and more, join the over 2000 news publishers worldwide that power their ongoing digital transformation with BLOX Digital, serving over 141 million monthly users who view over 6.5 billion pages of content each year. You can trust BLOX Digital to empower you, to connect you, at scale, with the community you need to reach. BLOX Digital, formerly TownNews, now re-imagined to help meet the news publishing challenges of tomorrow and beyond. Learn more at [bloxdigital.com](http://bloxdigital.com).

**0:04:28.7 MB:** So Rick, the story starts, with two guys, a Randall Smith and Heath Freeman, who formed Alden Capital, saw an industry in trouble, and knew they could pick it up for pennies on the dollar, because families might wanna sell out, and then strip it for parts, right?

**0:04:47.5 RG:** Yes, it was, distressed investing was at the heart of this particular hedge fund, and there are many heads... Well, there's a handful of hedge funds that are pretty much scarfing up newspapers, but distressed investing, that was their special gift, I think, is to look at distressed industries, say, "We can make money there," and then come in and... We had this story, it's not in the film, right now, because we wrapped up our film several months ago, but in Scranton, Pennsylvania, you had the hedge fund... You had this same hedge fund, Alden Global Capital come in and basically go to the newspaper and they knew, because of some of these journalists that you see in my film, having fought back over the past five years, they knew what the story was, as somebody else says in the movie, "This was a movie coming to a theater near you." That is, the hedge fund comes in, and the paper falls apart. They ask for buyouts, of the top reporters, have to take the buyouts, and they lay off staff, they gut the newsrooms, and suddenly it's not really a news organization anymore, it's a profit center.

**0:06:10.4 MB:** Well, and you tell this story so well, you talk about how it all started with Dean Singleton, we all remember, at least those of us who have been in this industry for decades, Dean Singleton's Digital First Media, out of the famous Denver Post, but then when Alden Capital picked it up, for pennies on the dollar, because he was pretty much what, facing bankruptcy, they get this industry without wanting to revive it, but strip it, and they saw the number one... The number one asset was real estate. They actually had a sub-company that was just a room in a building that was taking all this real estate and just selling it off. I love the fact also that you tell the story of how that real estate was an asset to being in the center of the community, so again, Stripped for Parts is about how... We just look at that, what can we do? We can just strip, strip, strip, take out, take out staff, and then eventually not care if the brand exists. Is that the story?

**0:07:10.4 RG:** Well, I think what the hedge funds have found is that people who have been

subscribers to the newspapers, they're slow to change their habits, so they'll continue to subscribe even though the newsroom has been gutted, but yes, you're right, that their golden goose were the newspaper buildings and the printing presses, were the assets, and these were worth, in many cases, more than the newspapers themselves. And so the hedge funds would come in and the first thing that they would do, would be to sell the buildings, and why could they do that? Well, the newsrooms are shrinking, and when the hedge funds come in, they shrink even more, so they don't need that amount of space, and because of the changing demographics and everything, they don't need to be in the center of town. It used to be that the news men and women would go out and they'd be across from City Hall, and they'd be across from the county courthouse, and they'd be in the same neighborhood as the government that they were covering. And that's no longer the case. It's very fragmented now. So again, it's a profit center only, and Julie Reynolds, who was the investigative reporter, who is kind of the throughline, we interview about a dozen reporters in the film.

**0:08:38.5 RG:** Julie Reynolds is the investigative reporters that uncovers a lot of this offshore, the hedge funds being centered, and they have Shell companies in the Cayman Islands and all that stuff, and they sell off their real estate, and they extract the money from the newspapers to put into their other holdings, and you begin to see, oh, this is really something that, at its heart, ruins the newspapers.

**0:09:14.8 MB:** When you go into Denver, fascinating what you do, you really show that revolt, and what it meant for these people to just basically stand up to the company and say, "No more, no more, The Denver Post needs to survive." And you tell their story brilliantly.

**0:09:32.9 RG:** When I read an article about what had happened in Denver, which was basically this editorial that sparked a revolt, and they had demonstrations, in Denver, and also at the New York Headquarters of Alden Global Capital, it really was a revolt, and I jumped on the story, and this... When I interviewed those people from Denver, it was hot, it was... What I mean is they were passionate about what was happening, and what was, and what was being destroyed, and one of the people at the demonstration, one of the news men from The Denver Post, he says, "They're... Alden Global Capital is... They're ignoring us, they're not admitting that we are the reason that they exist, and they say they're existing... They say we're existing in spite of us, instead of because of us." And they were insulted. And to me what it... It, what I was impressed with, in interviewing these newspaper men and women, number one, it was a job for them, but more importantly, it was a passion, and they were... Every one of them, was concerned about what was happening in their area of coverage, whether it was education, or immigration, or local corruption, or pollution in... Because of the industry next door that was polluting the rivers or the area.

**0:11:12.3 RG:** In their neighborhood. And knew that they weren't gonna be able to do this anymore, whether they stayed with the paper, or not, if they stayed with the paper, they had the police beat, they were gonna have to cover more and more areas, more and more ports, more and more counties, and at a certain point, you're spread so thin, you can't do the job that you're used to doing.

**0:11:38.4 MB:** Well, I wanna say that you are an amazing storyteller, it was riveting, and once you start, you are engrossed, and you tell the story well. So I think the right guy stepped up to the plate

'cause no one's done this, done such an amazing chronology of the crisis.

**0:11:55.9 RG:** Oh, and thank you, thank you.

**0:11:58.3 MB:** And you take it from the beginning and you get us to today, so let's assume a publisher in a small town, see, that's the challenge, Rick, I know you know that. I know there's so many digital startups now, but a lot of them are in communities that have 11, 15, 22 news brands. What about those small, I hate to say it, but that are being ignored towns because they may lean Red, I mean we have a town here in Tennessee where I live, Pulaski, that is the home of the KKK. You get, this is a pretty great town, I had their Mayor on the show, that begged for the paper to stay alive, you see...

**0:12:33.4 RG:** Yeah, yeah.

**0:12:33.8 MB:** It doesn't matter about politics, it's a... The need for a local press is understood by politicians.

**0:12:40.6 RG:** Yes.

**0:12:41.0 MB:** On both sides of the aisle, so let's assume a town like Pulaski wants to show this film or share this film with its company, how do they do that? How do... I don't understand how the world of documentaries works?

**0:12:52.7 RG:** Okay, well, that's the next challenge, for me and our team, we have an impact campaign that is just getting off the ground, so we've been in Santa Fe and we've been in St. Louis, and we've been in Lincoln, Nebraska, and Palo Alto, California, and Washington, DC. So cities big, and in towns that are small, and we're gonna be going into the more Southern towns and Mid-Western towns and smaller areas, tend to...

**0:13:25.6 MB:** How can a publisher...

**0:13:27.1 RG:** Like you say, they don't have those startups and something like that, so we're gonna be going out, town by town, city by city, and showing this film, and hopefully get then cablecast or TV cast or broadcast. But at first, we're gonna be doing that work, city by city, we'll be going to Scranton in Pennsylvania, we'll be going to Philadelphia, and we'll be going to Pulaski, if we can get an invite there, we'll contact them...

**0:14:04.6 MB:** So how do they... How can the Mayor of Pulaski or the publisher in Altoona get you to come to their town? What do they do? If they are willing to help you get there, set up the venue, do what it takes, or help distribute the word, what is the process, sir?

**0:14:20.2 RG:** Okay, well, we have a website, and it's... You get there by a couple of different names, but the easiest name to get it is, strippedforpartsfilm, all one word, strippedforpartsfilm.com, and that will bring you to our website, and you'll get the instructions right there. Here's how you can help. Contact us, we will put you... We will... We wanna talk to you. And then how can we come out to your town, maybe you have the newspaper editor of your town, or maybe there's somebody



working for some local organization or a news guild chapter there, that can come out, we show the film, maybe I'll be on a panel with one of your people, with a newspaper editor, with a news guild member, with somebody who's involved in this issue, and then we'll talk for another half hour after the film, though, that's it.

**0:15:27.2 MB:** Rick, I'm honored to have you on the program. We love your message. And let's amplify it. Thank you so much for your time, sir.

**0:15:33.5 RG:** Thanks so much, Mike.

[music]