

Memo

Jim Burgess, Publisher
The Wisconsin State Journal

J. 15

To All:

Good grief!

Bill Lueders is at it again. Hopefully there will be another day.

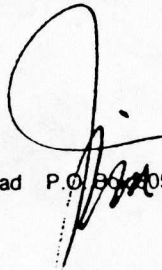
His conclusions about MNI profit increases are completely false.

And the notion that Lee is trying to buy out the Capital Times with a stock tender offer is just not so.

There are many Capital Times Company stockholders.

Some are staffers. Some widows and kin of retired staffers. Every once in awhile some wish to sell their shares and ask us. So over years both MNI and Lee alone have bought them.

So nothing is new or different today...except I missed lunch.



MEMO 6/26/89

Good grief! Now Jim Burgess is going around posting memos about me, insinuating that I got my facts wrong. Seeing it almost made me lose my lunch.

For the record, what I wrote about MNI profitability is exactly correct (although you might not know it from your paychecks). The Capital Times did pay out \$6.24 million in dividends last year. If you don't believe me, look it up: Dane County Probate Court, estate of William T. Evjue, file no. 96-77-120B. Fred Miller of the Capital Times has on two occasions told me that what the C-T pays out in dividends equals about half MNI's total profits, because the company as such has no operating expenses and passes its earnings directly to shareholders and because its half-share of MNI makes up more than 90% of its holdings. When I wrote this up the first time, Miller complimented me on my accuracy; when I wrote it up the second time, he didn't complain. Now, like Burgess, he is refusing to talk with me.

If Miller's formula is correct, so are my conclusions. If, as Burgess contends, my conclusions are "completely false," then I would like to know just where and how the formula failed, and what the truth is. I think you should demand the same.

As for the bit about there not being a buyout in the works, I never claimed there was. Indeed, considering the papers' increasing incestuous relationship, I think this would be a waste of money.

As always, feel free to call. I enjoy hearing from your tales of intrigue and woe.

Best,



Bill Lueders
News Editor, Isthmus
251-5627

Wisconsin State Journal

Frank Denton, Editor

June 26, 1989

Bill Lueders
News Editor
Isthmus
14 West Mifflin Street
Madison, WI 53703

Dear Bill:

I appreciate your letter and want to respond to your concerns about our story last week.

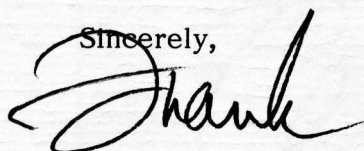
I don't think our story said, or implied, that the Isthmus story claimed that a buyout was in the works. The first mention of that notion came in Bob Meloon's quote, which grew out of the point of the story, that Lee had bought some shares of the Cap Times Co. The story then says Isthmus reported the "overtures" to buy stock, and Jim Burgess is quoted as saying Lee is not trying to acquire the Capital Times. Both Bob and Jim were responding to what they presumably felt were possible inferences that the offers to buy stock might be a buyout attempt.

I'll grant you that, in hindsight, the story should have made clear the conditional nature of your estimate of MNI profits. Since I read that story before it was published, I'll take some of the responsibility for overlooking that omission, which I am sure was made accidentally, in an attempt to make the sentence work. We should have included your qualifier.

As for allowing Jim Burgess to dispute your figures without supplying his own, I think that's the way we would treat anyone. We allowed him to deny your figures, and when our reporter asked for his own earnings estimate, he declined to give one -- and our story said that. His exercising his right to decline to make public some private information should not prevent our using the other part of his statement. What would you have done, not let him be quoted in the story because he wouldn't answer all our questions?

Let's stay in touch.

Sincerely,



Frank Denton

FD/jn