

Statement to the Texas County & District Retirement System

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My name is Veronica Serrano. I'm a member of the NewsGuild-CWA, and I'm a resident of Austin, Texas. I'm here to talk about the Texas County and District Retirement System's investment with Cerberus Capital Management.

According to Harvard's Nieman Lab, Cerberus is the "shadow banker" behind the hedge fund Alden Global Capital, a firm that has become infamous for its active role in the destruction of local newspapers.

Since Alden took over the MediaNews Group and Journal Register chains more than a decade ago, once-venerable newspapers like the Denver Post, the St. Paul Pioneer Press, the Orange County Register and many more across the country have lost more than three-quarters of their staff.

This year, Alden took over Tribune newspapers and newsrooms immediately lost 36 percent of their staff and the actual news content in its papers was ordered reduced by 20 percent. Now Alden is attempting a hostile takeover of Lee newspapers and would control more than 70 additional local news markets, including three publications in Texas. The highly secretive Alden has systematically extracted hundreds of millions in cash from its papers for its own use, and has stripped them of their real estate through its subsidiary, Twenty Lake Holdings. Currently, Twenty Lakes' dealings with the Pennsylvania Public Employees Retirement System have been reported to be the subject of an FBI investigation. Alden was found by the U.S. Department of Labor to have violated its fiduciary duty after it secretly invested employee pensions in its own under-performing funds.

By investing in Cerberus, your pension fund is supporting the wholesale destruction of communities' right to essential information. Research shows that towns without a robust local press often pay higher bond rates, are more likely to suffer government corruption and have lower voter turnouts.

Finally, let's not forget that Cerberus is the mastermind and financier behind Tier 1, the firm that trained the assassins of Washington Post journalist Jamal Khashoggi.

For these reasons, I am asking you to begin the process of divesting public pension monies in Cerberus. Meanwhile, we are asking the pension fund to engage with Cerberus and seek answers to the following:

1. Will Cerberus make public the loan agreement with Alden Global Capital that made possible the latter's acquisition of Tribune Publishing?
2. Will Cerberus scrupulously enforce that agreement and terminate it if Alden is found in violation?
3. Will Cerberus refuse further business with Alden Global Capital and Alden-owned entities because of Alden's history of destroying America's local news ecosystem?
4. Will Cerberus issue a statement that supports local journalism and pledge to do all within its power to improve the health of local news?

These requests are important for the Texas County and District Retirement System to remain within its ESG guidelines.

The NewsGuild has already contacted you twice to share its deep concerns about Cerberus and Alden. We hope you will be able to take action.

Thank you very much.