

CRISIS & ISSUES MANAGEMENT

Investor Relations

Cylink Corporation (NASDAQ): Inadequate adherence to revenue recognition policies and poor management execution led to a change in senior management and the restatement of several prior quarters' financial results. We counseled the restructured management team and new board chairman on disclosure strategy, arranged and scripted an investment community conference call, handled investor calls to the company, and developed and wrote the annual shareholders' report repositioning the company and its strategy going forward.

Dolby Laboratories, Inc. (NYSE): We handled all investor relations planning and implementation for the company's highly successful initial public offering. Activities included counseling management on the due diligence process, review of all filings from a communications perspective, orientation of employees to the changing cultural needs of a newly public company, training public-facing employees for trade show participation and media relations, website management, and media relations on the day trading began.

Iomega Corporation (NYSE): We provided Iomega with a full range of investor relations support in the face of extraordinarily volatile stock activity and short-seller pressure. Activities ranged from counsel on positioning the company and managing investor expectations, reviewing all financial/product news releases and shareholder communications to minimize negative exposure, developing and arranging quarterly conference calls. In addition, we served as the company's sole investor contact, handling between 600 and 1100 telephone inquiries per month. In addition, we prepared and conducted seminars for marketing and mid-level managers on inside information and insider trading.

Harding Lawson Associates (NASDAQ): We worked with the chairman of the board and selected officers to plan the internal and external communications around a change in chief executive officers. Our work included developing a communications strategy, orchestrating internal communications, and drafting news releases and internal announcements.

NeuStar, Inc. (NYSE): We have provided ongoing counsel in strategy, messaging, news release and conference call development concerning acquisitions and renegotiation of the company's core contracts with telephone companies.

Fibreboard Corporation (ASE): Institutional shareholders, dissatisfied with the company's operating results and management response, opposed a proposed stock option program for management. We prepared management and the board for the annual meeting presentation, prepared Q&A, and rehearsed management. The vote barely went management's way, at which time we unsuccessfully counseled the CEO to withdraw the proposal. When a class action suit was filed 24 hours later, management was convinced to withdraw the proposal.

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Expanding peripheral vision in investor relations & corporate communications

California Energy Co. (ASE): After a major brokerage firm's negative research report resulted in a one-third drop in stock price over two days, we moved quickly to restore shareholder confidence by refuting the report's underlying assumptions, neutralizing prospective media coverage, and special contact with institutional investors and opinion leaders in both government and the energy/utility industry. Several large institutional and individual shareholders quickly entered the market and another brokerage firm's analyst wrote a favorable research report rejecting the assumptions of the first analyst.

California Jockey Club (ASE): We were involved in a series of fights for control of California Jockey Club and its "paired" Bay Meadows Operating Company. Beginning as early as 1977, when an outside consultant attempted to seize control, we worked alongside outside counsel to fend off such attacks. Subsequently, former management sought to oppose new management at virtually every annual meeting, and we worked with new management to manage shareholder communications during the proxy process and to manage investor relations.

Trilogy Limited (NASDAQ): This Gene Amdahl-founded semiconductor developer was continuing to incur heavy losses, major lawsuits and a stream of negative publicity centered around untrue rumors after abandoning its original technology. To accurately position the company and its strategy for recovery, we arranged a "Dow Jones" interview with Amdahl and the new turnaround CEO that successfully abated the rumors.

Riverstone Networks (NASDAQ): Following a revenue recognition accounting breakdown, new management took over this company but was never able to complete the financial restatements required by the SEC. We served as the company's investor relations department through the surrounding litigation and the company's eventual acquisition by Lucent in a complex debtor-in-possession bankruptcy transaction.

Litigation Communications

California Automobile Assigned Risk Plan: We provided CAARP with counsel and communications support during a period when participation in the Plan exploded 5-fold to more than 1.25 million assignments. Activities included managing media relations, developing agent and consumer communications, and providing counsel and implementation around rate filings and litigation.

Citizens Utilities: We provided counsel and implementation to CU's California subsidiary, which sought to change telephone services and rates in the Sacramento area. Work included counsel relative to government hearing presentations, media relations materials and support, and the development of consumer advisory councils. The net effect of the latter was to neutralize vocal consumer opposition by bringing them into the process.

Delta Airlines: We provided courtroom monitoring and media relations counsel and support during a particularly controversial and highly visible wrongful termination suit in San Francisco.

Famous Amos Cookie Co: We provided this company's private equity owner, The Shansby Group, with media relations counsel and implementation during litigation with the company's founder and the company's subsequent sale to a larger company.

California Insurance Industry: During the heated Proposition 103 wars, we provided access for the state's automobile insurance industry to reach consumers, the news media and other influencers. Because the high-profile issue had rendered the political campaign team ineffective in reaching such groups seeking impartial information, we were able to successfully provide industry statistics and positions by utilizing an "information" vehicle that was distanced from the campaign itself.

Water Quality Association: We provided communications support in fighting several municipal and county ordinances, which would have banned the use of water softeners. Our work included grass-roots dealer and consumer programs, as well as media relations.

Other

Beckman Coulter, Inc.: Provided counsel to this client of more than 18 years in the areas of M&A activity, targeting both internal and external audiences; national media relations; and speaker presentation coaching.

College Club, Inc.: Assisted the interim CEO of this small, San Diego-based company in its debtor-in-possession bankruptcy liquidation communications to internal audiences, members and vendors.

Unnamed Companies/Organizations: Counseled a number of companies seeking to minimize the impact of removal or change in senior management. Activities have included counsel on positioning to a variety of stakeholders, media relations, litigation communications support, etc. Companies served have ranged from technology to consumer products, including:

- A community hospital to overcome the effects of unpopular and unilateral decision-making by the church corporation that runs the hospital network from outside the community. This work included community opinion surveying and counsel.
- The largest community bank (\$1 billion in assets) in the San Jose/Santa Cruz region, to which we provided counsel and media relations support associated with several branch closings and staff reductions following a major acquisition.
- A large, multinational consumer products company to which we provided communications counsel when the company was threatened with a consumer boycott by extremist groups. Activities included media relations and developing materials for employee, retailer and consumer audiences.