

BERNSTEIN CRISIS MANAGEMENT, INC.

Crisis Management, Response, Prevention, Planning & Training

CRISIS AND ISSUES MANAGEMENT EXPERIENCE SUMMARY

Updated March 2007

Definition of Crisis -- *any situation that is threatening or could threaten to harm people or property, seriously interrupt business, damage reputation and/or negatively impact share value.*

The following is a partial list of issues management/crisis communications situations with which Bernstein Crisis Management has been involved. It has been broken down by categories for ease of reference. There is, of course, some overlap in categories (e.g., litigation is involved in multiple categories). Due to the nature of the work, many clients cannot be identified, but confidential client references are available.

Activism

- ◆ Advising a company with direct marketing operations nationwide about how to minimize damage from aggressive former contractors who were effectively using the Internet to damage the company. Then, subsequently, conducting training for company leadership designed to help them avoid future crises and respond better to crises that couldn't be avoided.
- ◆ Helping a major manufacturer deal with multi-audience risk communication (related to the recycling of hazardous wastes as fuel) in conjunction with re-permitting of their manufacturing facility. This included responding to communications challenges posed by local and national citizen activist groups and regulatory authorities.
- ◆ Responding to activist-driven water usage complaints against a developer client.
- ◆ Advising multiple clients on strategies for countering Internet-based communications by activist groups.
- ◆ Engaging in activism on behalf of the "David" in a "David vs. Goliath" legal battle.

Corporate/Transactional

- ◆ Consulting to an Internet Service Provider about how to best communicate with stakeholders following a decision to enter Chapter 11 bankruptcy.
- ◆ Helping a national manufacturer prepare for internal and external communications related to a plant closure accompanied by transfer of assets and customers to another company.

- ◆ Creating and helping to implement a strategic communications plan designed to complement the legal and operational components of selling a privately owned company, preserving the value and reputation of the organization through the transition of ownership.
- ◆ Advising a financial services organization about internal and external communications designed to minimize business interruption and losses during a period of time when the company was being offered for sale.

E-Commerce & Internet

- ◆ Assisting an Internet Service Provider with response to cyber-terrorists who stole customer credit card information and attempted to extort money for not releasing this data.
- ◆ Advising a prominent software developer and service provider after some of its proprietary customer information was leaked to spammers, probably by a former employee.

Education & Childcare

- ◆ Advising the board of directors of a prominent community college regarding the best way to manage and communicate about sensitive issues that had legal, public relations, operational and political implications.
- ◆ Consulting to a childcare operation about to suffer the ill effects of proposed legislation, helping it to present its side of the story.
- ◆ Assisting a school with response to arrest of a popular educator on charges of sexual molestation.
- ◆ Helped a private high school develop a strategy to respond to a student's threats of violence, including parent and staff communications explaining the rationale for both related and unrelated security enhancements.
- ◆ Advising an elementary school district about how to respond to the unexpected discovery of a potentially-serious on-campus environmental hazard, balancing full and rapid disclosure to faculty, staff, parents and media with the need to keep the matter in the proper perspective.
- ◆ Advising a national provider of services to school systems after it became a possible target of investigation by a state attorney general.
- ◆ Guiding the internal and external response of a school district to controversy resulting from a

teacher's activities.

- ◆ Advising multiple school districts on issues ranging from alleged embezzlement to conflicts between district staffs and governing boards.
- ◆ Assessing the strengths and weaknesses of existing crisis preparedness and response documents from a prominent university, to include making recommendations for improvement.
- ◆ Serving as the “on call” crisis management and training organization for a national provider of childcare services that had to respond to a wide range of crises common within its industry.
- ◆ Advising a national operator of charter and private schools on a number of crises inherent to their business.
- ◆ Assisting the board of a college with appropriate response to public criticism over its decisions.

Environmental

- ◆ Helping a school district prepare to communicate about the sudden finding of asbestos in recently acquired property whose roof collapsed after a rainstorm.
- ◆ Assisting a cement manufacturer with management of negative response to the use of its kiln to recycle/destroy hazardous materials.
- ◆ Providing rapid response to citizen outrage about dioxin effluents in a manufacturing process.
- ◆ Responding to concern by residents at a large masterplanned community about the effects of Electromagnetic Fields (EMF) on their health.
- ◆ Helping a large farming business manage public perception about its response to a notice of violation from its state department of natural resources.
- ◆ Advising a developer about communication related to a runoff of chemicals from its golf course into pristine fishing/swimming/boating waters.
- ◆ Creating comprehensive crisis communications plans for several organizations at the wrong end of investigations by state attorneys general.
- ◆ Advising a corporation that had to communicate bad news to area residents about hazardous and toxic waste found on and under its property.

Financial Services

- ◆ Helping a bank prepare to announce that backup copies of a large number of confidential customer records were missing and potentially in the hands of identity thieves.
- ◆ Consulting to an industry-leading financial services provider whose marketing and services had become the focus of various state investigations and who had been continuously “beat up” on the Internet.
- ◆ Advising a lender concerned with possible negative public response to its decision to foreclose on a loan made to a regionally prominent organization.
- ◆ Assisting a leading source of niche market financing with internal and external communications related to weak economy-driven business problems and corporate restructuring.
- ◆ Helping a banking organization communicate regarding a possible theft of customer information from its database.

Food

- ◆ Helping a national restaurant chain successfully manage and minimize damage from *E. coli* contamination at several of its locations.
- ◆ Providing a full range of crisis prevention, preparedness and response services for three major fast food chains based in the United States, with two out of three also having overseas operations.
- ◆ Conducting vulnerability assessment, crisis planning and training for a global manufacturer of food products for retail food establishments, while also assisting that manufacturer with response to several serious reputation and business interruption threats.

Health Care

- ◆ Advising a senior healthcare company following disclosure by the media that a company facility was under investigation for alleged mercy killing.
- ◆ Consulting to a medical group regarding tactics and messages to be used in reversing commerce-threatening behavior by leadership at its host hospital.
- ◆ Helping a major health care provider manage hostile press and community reaction to its decision to

cease providing one of its services and then developing a crisis communications plan for the provider.

- ◆ Preparing a prominent nursing home for the possibility of sudden closure due to the unforeseen impact of their first inspection under OBRA regulations.
- ◆ Dealing with internal and external reaction to unbalanced behavior suddenly exhibited by a physician at a prominent health care facility.
- ◆ Advising a major healthcare company regarding response to a government investigation.
- ◆ Assisting a psychiatric hospital with reaction to the death of an adolescent patient and the subsequent investigation by police and other authorities.
- ◆ Assisting a national healthcare provider with internal and external response to news about HCFA decertification of a single facility.
- ◆ Consulting to a psychiatric hospital where two publicly revealed incidents had taken place in a fairly short time period, one involving inappropriate relations between a staff member and a minor patient, the other involving two patients assaulting a third.
- ◆ Consulting to operators of nursing homes, congregate care facilities and similar businesses regarding the types of crises that can "routinely" affect them -- e.g., wandering patients, deaths/injuries under suspicious/unexplained circumstances, lawsuits.
- ◆ Helping a major regional health care provider manage public response to its decision to cease providing certain services.

Housing & Real Estate Development

- ◆ Assisting a prominent developer of luxury masterplanned communities with communications issues related to their business and to expansion.
- ◆ Creating a national crisis management training program for a major homebuilder.
- ◆ Serving, for a dozen years, as the lead issues and crisis management consultant to a national, publicly held developer of masterplanned communities, helping to manage dozens of situations that threatened relationships with residents, prospects, referral sources, community leaders, employees, regulators, governmental agencies and the media serving all of these audiences.

- ◆ Assisting a real estate developer threatened by a homeowner lawsuit that could have had material impact on the firm.
- ◆ Working with a leading real estate developer to lessen opposition to its planned activities in a target market.
- ◆ Managing media and resident response to unexpected settling of home foundations in two housing communities.

Internet-Centered Threats

- ◆ Participating as a key member of crisis response team for a manufacturer that had suffered the theft of proprietary information about the firm and its customers by a disgruntled worker -- who then posted that information on the Internet.
- ◆ Consulting to Fortune 100 company whose business was being damaged by online activism by relatively few individuals determined to harm the company.
- ◆ Helping a large direct selling organization revise its distributor communications policies and programs to better serve the reputation management needs of the entire business.
- ◆ Advising the owners of a national chain of fitness-related businesses regarding response to online consumer criticism, negative media coverage and dissemination of allegations made in a civil lawsuit.

Labor & Employment

- ◆ Advising the leadership of, and legal counsel for, a professional services business where a senior executive had engaged in inappropriate sexual behavior but was not being dismissed.
- ◆ Consulting to a prominent not-for-profit that discovered embezzlement by a gambling-addicted employee.
- ◆ Assisting a medical supplies provider with sensitive client communication following the firing of employees who may have been misleading customers about the products received and who were also intent on badmouthing the provider publicly.
- ◆ Helping a non-union client prepare for a local union's announced plans to drive the client out of business through picketing, hand-billing, direct approaches to customers, etc.
- ◆ Consulting to a prominent sports-related service provider accused of racial discrimination by a

recently fired employee.

- ◆ Advising a client retirement living facility on the best way to handle internal and external communications following the sudden departure of two senior, and very popular, administrators.
- ◆ Helping a quasi-governmental exempt organization manage the ouster of a difficult senior executive without drawing public criticism.
- ◆ Helping a large nonprofit respond to and turn around public outcry over its plans to hire a high-priced new administrator.
- ◆ Advising a physician whose former employee was threatening to make damaging statements about him to the press and various audiences important to his business.
- ◆ Consulting to a developer faced with a sexual harassment lawsuit against one of its managers.
- ◆ Helping an employer facing public criticism related to its employment of foreign nationals in perceived contravention of some immigration policies.
- ◆ Advising a board of directors on how to best disclose and minimize negative reaction to the high level of compensation given to a key executive.

Law & Litigation

- ◆ Taking a case to the “court of public opinion” on behalf of an individual wrongly accused of a crime, resulting (as of December 2006) in prosecutors backing down and making a drastically reduced plea offer.
- ◆ Advising a law firm about internal and external communication related to certain management changes and reputation-damaging allegations.
- ◆ Helping a large commercial organization ensure that its litigation strategy would (a) resonate well with its most important stakeholders and (b) not backfire in the court of public opinion.
- ◆ Advising a product manufacturer facing imminent indictment by a U.S. attorney.
- ◆ Assisting a leading accountancy with internal and external communications regarding allegations of improper auditing.

- ◆ Consulting to a municipality that was perceived as being liable for deaths from faulty heaters that were emitting excess carbon monoxide in a public housing project.
- ◆ Managing response to the indictment of -- and subsequent guilty pleas by -- employees at a major nursing care center who were charged with elder abuse by the state attorney general.
- ◆ Providing rapid-response crisis consulting to a consulting firm that was at the wrong end of civil and criminal investigations on a variety of issues.
- ◆ Preparing an industry leading, publicly held company to deal with response to the news that one of their subsidiaries had reached a plea bargain with the state attorney general regarding significant environmental law violations and was receiving a record fine.
- ◆ Intentionally drawing media and public attention to litigation by former employees against some prominent business and governmental entities.
- ◆ Preparing a client manufacturer to respond to publicity associated with an indictment by the U.S. Attorney.

Manufacturing

- ◆ Vulnerability assessment, crisis planning and training for an industry-leading manufacturer with operations nationwide.
- ◆ Vulnerability assessment, crisis planning and training for an industry-leading manufacturer with operations globally, and which recognized the value of training for mid-level managers as well as senior executives.
- ◆ Consulting to a manufacturer that was faced with inevitable sanctions by EPA and a state agency, ensuring that communication with all stakeholders facilitated the client's ability to remain in and expand its business.
- ◆ Conducting a vulnerability/risk assessment for an industry-leading manufacturer that had grown rapidly via acquisition and suspected that some internal issues were causing or increasing risks of crises.
- ◆ Assisting a global food service manufacturer with rapid response to growing worldwide concern over potential contamination of raw materials by a substance "believed" to cause cancer in laboratory rats, yet which was also the focus of some panic-level response in at least one country.

- ◆ Conducting a day-long “executive session vulnerability audit” with the executive committee of an international manufacturing firm to help them (a) understand crisis prevention better and (b) begin to assess where their firm needs to focus future crisis prevention efforts. Subsequently retained to help with ongoing crisis preparedness.
- ◆ Helping a manufacturer prepare for anticipated publicity pursuant to its negotiated plea with a state attorney general following environmental violations.
- ◆ Managing response to multiple, publicly known legal challenges faced by a manufacturer.
- ◆ Creating and implementing a crisis communications plan designed to minimize damage to an international manufacturing company threatened with civil and criminal complaints that could have a severe impact on its business.

Mergers, Acquisitions and Expansion

- ◆ Creating a strategic plan and drafting materials to communicate a privately held company’s divestiture of all six of its rating divisions in a manner which didn’t alarm internal or external stakeholders.
- ◆ Assisting a major banking institution with rapid-response, comprehensive, internal and external communications in connection with its acquisition of another institution.
- ◆ Consulting to a consortium of well-known privately held firms whose merger plans had antitrust implications.

Not-for-Profits

- ◆ Consulting to a church-owned school facing a revolt by a very vocal minority of parents and teachers.
- ◆ Advising an association with membership in the hundreds of thousands about how it could best serve its membership reputation management needs and also increase positive attention for the association, its mission and its value.
- ◆ Helping a church/school manage a sensitive human resources matter.
- ◆ Consulting to several school districts faced with growing parent and teacher criticism about some of their decisions.

Personal Crises

- ◆ Helping the family of actor Robert Young (*Marcus Welby, M.D., Father Knows Best*) plan for media and public reaction to their loved one's imminent death and, after his death, serving as media liaison and event coordinator.
- ◆ Aiding the prominent family of a kidnap victim with their pre-rescue and post-rescue media relations.
- ◆ Helping to salvage the reputation of a leading international consultant who had run into highly publicized business difficulties.
- ◆ Consulting to a locally prominent individual who was worried about publicity that could result from having become innocently connected with someone who turned out to be the primary suspect in a violent crime.

Product Contamination, Defects and Liability

- ◆ Coordinating response of a major health care company to new research results that challenged the safety of one of its products.
- ◆ Managing response to death and illness caused by *e.coli*-contaminated meat purchased at a client market.
- ◆ Consulting to a product distributor managing online allegations about product defects.
- ◆ Helping a distributor of filtration devices optimize the results from a TV news investigation of its product claims.
- ◆ Consulting to a restaurant chain where food had become contaminated with *e.coli*.
- ◆ Assisting a food product distributor with communication related to a recall of product that could potentially cause deaths or severe illness.

Reputation and Issues Management

- ◆ Consulting to a leading professional services organization being damaged by the false statements and actions of a departed professional.
- ◆ Advising a not-for-profit healthcare organization following allegations that one of its consultants may

have engaged in improper influencing of public officials whose approval was important to the not-for-profit.

- ◆ Helping a large exempt organization turn around negative publicity regarding a decision to hire a new chief executive without first adequately communicating the facts to its key audiences.
- ◆ Providing crisis/issues management training to members and executives of a professional trade association on how to more effectively communicate about sensitive matters.
- ◆ Assisting a prominent hospital at which an in-house childcare center employee was accused of child molestation.
- ◆ Conducting an in-depth communications and vulnerability audit of a multi-location international business for the purpose of (a) improving overall internal and external communications and (b) creating a company-wide crisis prevention and management plan.
- ◆ Managing a company's response to hostile rumor-spreading by an angry former customer.
- ◆ Creating a reputation management program for a manufacturer whose products had developed a self-sustaining bad reputation that they couldn't seem to shake, even after products had been improved.
- ◆ Helping a national professional service organization manage internal and external response to the arrest of one of its executives.
- ◆ Advising a prominent and usually well-respected financier on how to best deal with inaccurate and reputation-damaging criticism leveled at his organization by media and others.

Securities

- ◆ Directing the response of a publicly-held financial institution to sudden deterioration of its stock value originating with false rumors on Wall Street.
- ◆ Helping a large investment firm respond to a State investigation resulting from violations of the Securities Act and possible criminal fraud on the part of its top management.
- ◆ Assisting with the internal and external communications issues facing multiple clients under investigation for alleged State and/or Federal securities violations.

Sports Manufacturing, Operations & Personalities

- ◆ Advising a national operator of golf courses about response to sensitive issues such as a death in a golf course lake and allegations of discrimination.
- ◆ Launching a “can you help us” instant Web site for the family of former NBA star Bison Dele, now believed deceased, when he and his lady friend were missing in the South Pacific and the family was seeking information on their whereabouts. The site also helped to pressure investigators to step up their efforts.
- ◆ Consulting to an industry leading manufacturer of recreational sporting goods, to include conducting a vulnerability audit, creating a crisis communications plan, media training and establishment/operation of a consumer rumor control program.

Tax-Exempt

- ◆ Consulting to a small tax-exempt regarding internal and external issues management designed to neutralize negative rumors being aggressively spread by one unfortunately credible former employee and one former board member.
- ◆ Advising a large tax-exempt on how to turn around a negative media and governmental relations situation resulting from an unpopular board decision.
- ◆ Consulting to a tax-exempt organization that could not seem to get itself out of “constantly on the defensive” mode following a series of unfortunate, but reversible, mishaps.
- ◆ Assisting a local nonprofit with public reaction to board decisions under attack by elected officials and skilled muckrakers.
- ◆ Advising the executive board of a tax-exempt organization after it received significant negative feedback from its unexpected decision to drop several full board members who had been perceived as obstructionist.
- ◆ Helping a psychiatric facility respond to a threatened lawsuit from a former patient now claiming that sexual abuse had taken place while she was a resident.

Terrorism

- ◆ Helping a large regional company communicate, internally and externally, in the wake of an anthrax scare during which an envelope containing white powder released its contents at the organization’s

heavily populated business office.

- ◆ Consulting to companies whose shipping practices were in question by those concerned about anthrax.
- ◆ Advising organizations wanting to know what was appropriate for them to say, publicly and internally, in the wake of 9-11.
- ◆ Assessing a Jewish organization's current crisis preparedness plans and programs, to include making recommendations for improvement.

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