

## Markets

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### Businessman Says Black Knowledgeable

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CHICAGO — A businessman who steered the big Hollinger newspaper empire through a storm of lawsuits and investigations testified Wednesday that former media mogul Conrad Black "was very knowledgeable" about the finances of the company he's accused of swindling out of \$84 million.

Investment banker Gordon Paris, who took over command of Hollinger International Inc. from Black in November 2003, was first to take the stand at the trial of Black and three other former Hollinger executives.

"Based on my experience, Mr. Black was very knowledgeable" about Hollinger financial operations, Paris said. Prosecutors plainly hope his testimony will undercut a defense claim that Black left many financial details to top aide F. David Radler, now the government's star witness.

Black, 62, born in Canada but now a full fledged British baron, built Hollinger along with Radler from a single paper, the Sherbrooke Record, into an international conglomerate that owned the Chicago Sun-Times, the Toronto-based National Post, the Jerusalem Post and the Daily Telegraph of London as well as hundreds of community papers across North America.

The Sun-Times is the only remaining large paper. The rest have been sold and the name of the company changed to Sun-Times Media Group.

Black is accused of selling off hundreds of community newspapers and pocketing fees from the buyers in return for agreements to not compete with the new owners in markets where the papers circulated.

Federal prosecutors say the fees should have gone to Hollinger's shareholders and not into the pockets of Black and two other Canadian executives, John Boulton and Peter Atkinson. Chicago lawyer Mark Kipnis is charged with arranging the fees but not receiving them himself.

On Tuesday, Black defense attorney Edward M. Genson told jurors that Black had largely left Hollinger business in western Canada and the United States to Radler while concentrating on eastern Canada and London.

Prosecutors say the defendants lied to both the Hollinger International board of directors and outside auditors about the so-called non-compete payments. But Genson said Black negotiated only one of the deals, a massive 2000 sale of newspapers to Can West Global Communications, and that the board and auditors were kept fully informed.

Paris told the jury how Black was able to control the newspaper conglomerate through a small, Toronto-based holding company, Ravelston Corp., of which he is the majority shareholder. That company, in turn, owned a publicly traded Canadian holding company, Hollinger Inc., which held a 35 percent stake in Hollinger International.

Despite its minority share in the company, which was traded on the New York Stock Exchange, Hollinger Inc. was able to wield control over the big newspaper corporation because it owned a superior class of stock.

Jurors haven't been told that Ravelston, which is in receivership, recently pleaded guilty to charges in the case over Black's objections.

"Through Ravelston's interest in Hollinger Inc. and Hollinger Inc.'s interest in International was Mr. Black able to control International?" lead prosecutor Eric H. Sussman asked Paris.

"Yes," Paris said.

Paris told how he was brought into the company in 2003 as a member of the board of directors after serving as one of its bankers. He said Black called him and asked if he would be willing to conduct an investigation of fees received by members of the Hollinger management because shareholders were starting to demand information concerning the payments.

He became the head of a special committee whose investigation led to shareholder suits against Hollinger, the criminal investigation and Black's ouster as president and chief executive in late 2003 and then as chairman.

Paris ended up running the company. He relinquished the job of president and CEO last December.