

SFGate.com**Testimony: Black Consulted on Everything**

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The former second in command of media mogul Conrad Black's Hollinger International newspaper empire says he never made a financial decision or sold an asset without consulting Black himself.

F. David Radler, the star witness at Black's racketeering and fraud trial, contradicted defense claims that he himself engineered deals that siphoned off millions of dollars while Black was busy with other tasks.

"I did not make a financial decision without consulting Conrad Black," Radler testified.

"Anywhere in the world?" federal prosecutor Eric H. Sussman asked.

"I do not remember selling a newspaper anywhere without consulting Mr. Black," Radler replied.

Black, 62, a Canadian-born press baron who became a British lord, is accused of bilking Hollinger International out of \$84 million, mainly by selling hundreds of small community newspapers across the United States and Canada and receiving payments from the buyers.

The money was in return for promises not to move back into the areas where the papers circulated and compete with the new owners.

Prosecutors say all of the "non-compete" money should have gone to Hollinger International shareholders. Some did but millions of dollars were paid to Black and co-defendants John Boulton and Peter Atkinson, Radler himself and two Black-controlled corporations based in Toronto.

Black's lawyers say Radler ran Hollinger operations across the United States and western Canada. While Radler was making the deals, they say, Black was busy running papers in eastern Canada and in London, where Hollinger owned The Daily Telegraph.

Yet Radler, who was president and chief operating officer of Hollinger International, said Black maintained authority over all of Hollinger's worldwide operations and he brought every major financial decision to the attention of Black.

"Would you submit them for Mr. Black's comments and suggestions?" Sussman asked Radler.

"Yes, I would," Radler said.

Radler, 64, told jurors that he has pleaded guilty to fraud for swindling Hollinger International out of millions of dollars with Black and his co-defendants. Radler made a deal with the government to testify against Black and in return get a lenient 29-month sentence.

Radler already has paid \$8.5 million in restitution.

On the first of what are expected to be several days on the stand, much of Radler's testimony focused on his relationship with Black.

The two men met in 1969 and soon afterward Radler decided that he wanted to go into business with Black, he testified.

"I was impressed with Mr. Black's knowledge and his ability and I thought that he would be a great partner to have," Radler said.

Along with a third partner, Peter White, the two bought the Sherbrooke Record, a small, money-losing English-language paper in French-speaking Quebec. Radler told how they worked day and night to dig the paper out of debt and make it profitable.

Eventually, they came to own hundreds of community newspapers across the United States and Canada as well as the Chicago Sun-Times, the Toronto-based National Post, The Daily Telegraph and the Jerusalem Post.

All of the large papers except the Sun-Times have now been sold and the company has changed its name to Sun-Times media group.

Earlier, Janice Akerhielm, Black's former executive assistant, testified that Hollinger International paid two thirds of a \$62,000 birthday party for Black's wife at New York's La Grenouille restaurant.

Akerhielm said the guest list at the Dec. 4, 2000 dinner included New York Mayor Michael Bloomberg, Henry Kissinger, historian Arthur Schlesinger Jr., and Donald Trump.

Black's attorneys maintain that it was proper for Hollinger International to pay part of the tab because the party also involved business.

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