

EXHIBIT B



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MEDIA

Al Jazeera America, Its Newsroom in Turmoil, Is Now the News

By **JOHN KOBLIN** MAY 5, 2015

Nearly two years ago, Ehab Al Shihabi, the chief executive of Al Jazeera America, took the stage at the Aspen Ideas Festival and proposed something grand: An American cable news station that would be thoughtful, probing and smart.

This station would dispense with shouting heads and conduct real investigations, and with financing from the deep pockets of the Qatar government, it would have a budget to match its ambitions. The benchmark for success was to produce quality journalism and “to win the mind and the heart of the American audience,” Mr. Al Shihabi said. And what else?

“The rating is very critical for us,” he said. “The margin of the profit also is critical for us.”

Almost two years later, the ratings have not come, nor have the profits. The station has been a nonfactor in news, drawing about 30,000 viewers a night. To make matters worse, in the last week, a lawsuit and an exodus of top executives have brought to the surface a series of grievances that employees say reflects a deep dysfunction in management of the newsroom, undermining the network’s mission.

“I didn’t want to be there anymore because I didn’t like the culture of fear,” said Marcy McGinnis, the network’s former senior vice president for news gathering, who resigned on Monday. “People are afraid to lose their jobs if they cross Ehab.”

Ms. McGinnis, who most recently served as Al Jazeera America’s senior vice president for outreach, said that the newsroom was in total “disarray behind the scenes,” a view echoed by almost a dozen current and former employees interviewed.

Ms. McGinnis, who formerly worked at CBS News, was the third top Al Jazeera official in the last week to announce a departure. On Thursday, the chief of human resources, Diana Lee, and the executive vice president for communications, Dawn Bridges, resigned. On the same day, a former employee sued the company, claiming he had been fired after he complained to human resources about a powerful colleague. The complaint contains accusations of anti-Semitism, sexual discrimination and episodes of retribution against employees.

In an interview from one of Al Jazeera’s offices in Manhattan, Mr. Al Shihabi defended his network’s achievements. “Look at the quality of journalism,” he said. “Look at the screen.”

Asked about employee complaints, he added: “We are committed to raise the morale of our staff. If people are not happy, we will make them happy. We will invest in their morale.”

Before joining Al Jazeera, Mr. Al Shihabi was a management consultant and worked at firms like Arthur Andersen and Deloitte. It was his job to prepare the American news channel for its debut.

It was a tricky assignment: Al Jazeera, started in the 1990s as an Arabic news channel, was occasionally the target of American politicians who said it served up propaganda from the Middle East.

Still, its English-language station, Al Jazeera English, has maintained a good reputation in journalism circles, and in 2013, Al Jazeera spent \$500 million to buy Current TV to start an American channel.

The company has invested hundreds of millions of dollars since and hired hundreds of people. The current head count for the network stands at 650 people, Mr. Al Shihabi said. He laid out what he described as its successes: The network has won some prestigious journalism awards and is doing the sort of TV journalism, he says, that cannot be found elsewhere. He said it was too early to judge the network's overall influence.

"Fox, if you read the history, they got their inflection point after four years," he said. "Same thing with MSNBC. They started with one strategy and they shifted to other strategy and got their inflection point. Al Jazeera America will get its inflection point."

Mr. Al Shihabi is sensitive to the network's reputation with the news media. He told employees last week that Al Jazeera America was a challenge to mainstream organizations and that, as a result, they have trouble treating the network seriously.

He maintained that the morale of his newsroom was good, but current and former employees painted a different picture. Most spoke on the condition of anonymity, many because they said they feared retribution from the network.

Last week, at a newsroom-wide meeting described by several employees, staff members complained bitterly about problems at the station: how women have lost their jobs; the fear that offering criticism will lead to retaliation; the lack of promotional efforts for the channel; and how the standards for internal reviews changed without any announcement.

The station's most recognizable face, Ali Velshi, a veteran of CNN, who hosts a prime-time show, led a similar meeting in February. Mr. Velshi's line of questioning and his exchanges with Mr. Al Shihabi were particularly heated, according to five people present at the meeting.

Days later, when Mr. Velshi was not present, Mr. Al Shihabi threatened to sue Mr. Velshi and fire him, according to employees who said they heard him speaking openly in the newsroom.

“I’ll spend whatever I have to spend to bankrupt him in court,” Mr. Al Shihabi said, according to one employee who was there. Another heard Mr. Al Shihabi say, “He’s finished here.”

Mr. Velshi remains employed. In a statement, he said: “To hear that public threats of litigation and of bankrupting me have been made, if true, is disheartening and deeply troubling.” He declined to comment further.

In the interview on Tuesday, Mr. Al Shihabi said he had never made those comments.

“We are creative thinkers, and we allow debates, we encourage debates and we encourage different views,” he said.

Al Jazeera staff members also told stories of colleagues who stopped showing up at work and executives would not discuss the reason. One former programming executive stopped coming to the office around December. What happened to her was not explained, according to several employees. Al Jazeera America’s Middle Eastern correspondent, Nick Schifrin, has not been on the air for two months, similarly without explanation. (Last week, he accepted an award from the Overseas Press Club in person.) Mr. Schifrin would not comment.

“It’s the uncertainty in the day to day,” Ms. McGinnis said. “What shoe is going to drop next? Nick Schifrin is a reporter, and nobody knows if he’s been fired, or let go, or he’s just gone. People are like, ‘Oh, my God, what show’s going to get canceled or revamped or what new executive is going to be my new boss today?’”

She likewise complained that Mr. Al Shihabi interfered with news decisions, and said that he “runs everything, every decision is his decision. When all of the decisions land on one person who is not a journalist, it can lead to disgruntlement because there’s a feeling he doesn’t understand journalism,” she said.

Mr. Al Shihabi says he doesn’t “run editorial” and defers to his newsroom leadership team, including Kate O’Brian, the president of Al Jazeera America.

In last week’s lawsuit, Matthew Luke, formerly the network’s director of media and archive management, said he had been fired after he complained to human

resources about Osman Mahmud, the network's senior vice president for broadcast operations and technology. The suit accused Mr. Mahmud of being anti-Semitic and sexist. "Whoever supports Israel should die a fiery death in hell," he said in the office, according to the suit.

Mr. Mahmud denied the accusations, according to The Washington Post. He has not responded to messages from The New York Times seeking comment.

Mr. Al Shihabi said he had "no tolerance whatsoever of any discrimination actions within Al Jazeera." He said he would not comment further about Mr. Mahmud because of the lawsuit.

Ms. McGinnis said the mood in the newsroom and her mounting frustration with meddling in the journalism finally led her to quit. She said it was "unbelievably depressing and disappointing" to leave, since she was proud of the work the station was producing.

"All of us came in with high hopes to do a news channel that was counter to what's on the air now with the stupid talk shows, the fighting on the air," she said. "We just thought, 'This is going to be great.'"

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