Brill's Content Closes; Web Site, Inside.com, Is Cut Back

By FELICITY BARRINGER, NY TIMES

Published: Tuesday, October 16, 2001

Correction Appended

A few years back, Steven Brill had a brainstorm: the public, he thought, was fascinated with news about highly visible media organizations, and this appetite could be converted into a business that would thrive as it revealed the mysteries and missteps of those organizations.

Yesterday, after sputtering for years, the vision died. Brill's Content magazine suspended publication, ending a three-year run of dissecting the personalities, obsessions and machinations of news organizations. At the same time, Inside.com, a Web site created by Powerful Media Inc. and later sold to Mr. Brill's company, has been trimmed back, essentially becoming an online gateway to a group of media trade magazines.

The decision was announced by Mr. Brill, who had failed, after weeks of negotiation, to reconcile his agenda -- supporting his struggling publication -- with the needs of Primedia, his publicly held partner, to appease dissatisfied shareholders by cutting costs.

Primedia, the magazine publisher headed by Tom Rogers, took a 49 percent stake in Brill Media Ventures in January. They have now decided to dissolve the partnership.

While Brill's Content shuts its doors, Inside.com, the Web site whose aggressive and sassy coverage of the media industry quickly earned it prominence when it started in the spring of 2000, will lose its dedicated reporting staff and will be remade into a portal for the articles of its owner, Primedia.

Brill Media Ventures had acquired Inside.com from Powerful Media Inc. in April.

Like Mademoiselle and The Industry Standard, Brill's Content is disappearing amid the brutal business climate of 2001.

Unlike this year's other magazine casualties, however, Brill's Content, as it went through three editors, retained the unique stamp of its founder's personality. It was the ink-on-paper representation of Mr. Brill's audacious desire to win influence and profits by playing Savonarola to powerful institutions. This time, the formula that Mr. Brill rode to success two decades ago when he founded The American Lawyer did not work.

Even after gaining intense publicity for the premiere edition with his dissection of the Lewinsky scandal and Washington reporters' dependence on the special prosecutor, Kenneth Starr, he was never able to translate the magazine's prominence into a readership even close to its original goal of as many as 600,000. Its most recent circulation, as reported to the Audit Bureau of Circulations, was 325,000.

In a telephone interview yesterday, Mr. Brill declined to blame the sour advertising climate or the economic aftershocks of the terrorist attacks for the demise of his magazine.

He said: "The current economic climate, let alone Sept. 11, is no excuse for us. If we had built a vibrant, independent, successful magazine, which is what I told the world I was going to do, we would have survived the economic climate we were in."

Thirty-eight employees will be laid off as a result of the dissolution of the partnership of Primedia and Brill Media Ventures, including David Kuhn, the editor of Brill's Content for the last 18 months and, for the last three months, the editor of Inside.com.

Mr. Brill said yesterday that he had come to the decision over the weekend after months of discussion with Mr. Rogers. He gave no details. "I just decided that I don't want to go deep into those issues -- Tom was my friend, is my friend -- he has his perspective and I have mine." Mr. Rogers turned away interview requests yesterday.

All employees have been assured four weeks of severance pay.

Stock in Primedia, which publishes such magazines as New York, Seventeen and Media Central trade properties like American Demographics and Telephony, closed at $1.98 yesterday, down 3 cents, and just 28 cents above its 52-week low of $1.70.

A year ago it was trading at more than $16. In January, when it took its share in Brill Media Ventures -- and Brill took an undisclosed share of Primedia -- Primedia's stock price was $12.94.

Yesterday's announcement came less than three weeks after Mr. Brill shut down another venture, Contentville, a Web site created early in 2000 in partnership with Primedia, NBC and CBS, among others.

Asked at the time about the propriety of being in business with organizations covered by his magazine, Mr. Brill said that written agreements between the partners set up firewalls that preserved the independence of the magazine's journalists.

The Contentville partnership, like the backing Mr. Brill originally obtained for Brill Media Ventures from the entrepreneur Barry Diller and the investor George Soros, was a testament to his ability to persuade wealthy friends that his ideas would flourish. Asked about the extent of the financial losses of Brill Media Ventures, Mr. Brill said only: "It's safe to say we all lost money. Our net worth was not greatly diminished."

The partnership with media figures like Mr. Diller, who were the subject of the magazine's coverage, illustrated the tightrope Mr. Brill chose to walk as both a media critic and a media baron. His magazine began with aggressive coverage of news organizations' performance in its coverage of the scandals around President Bill Clinton.

The magazine also tackled questions as disparate as war coverage and plagiarism, sometimes with mixed results. Mr. Brill's own writing for the magazine veered from scolding to prognostication. In the February 1999 issue his cover article carried the headline, "What A Deal! Why CBS News and CNN Should Merge."

About 18 months after the magazine's beginning, when it had already undergone one fac lift, Mr. Brill brought Mr. Kuhn in as editor, with a mandate to lift the publication beyon its focus on media organizations' problems and mistakes and giving it a more general appeal with personality features. Shortly thereafter, it changed its publication schedule from a monthly to 10 times a year. and cut its size. Earlier this year, it downsized again, and decided to publish quarterly.

Mr. Brill's announcement to the staff yesterday was unemotional, according to two reporters present, both of whom had been trying to finish articles to meet this week's deadlines for an issue that will never be published.

Jesse Oxfeld, a senior associate editor, said: "It was totally expected. The last two weeks have been ridiculous -- this constant 'what do you know, what do you know.' It's nice to have closure."

Photos: Brill's Content examined the inner workings of news organizations.; Steve Brill declined to blame his magazine's demise on the sour advertising climate or the economi aftershocks of the terrorist attacks. (Fred R. Conrad/The New York Times)

Correction: October 18, 2001, Thursday An article in Business Day on Tuesday about the closing of Brill's Content magazine misstated its original publication schedule. It appeared 10 times a year, not monthly.

A version of this article appeared in print on Tuesday, October 16, 2001, on section C page 4 of the New York edition.

The Write News

http://www.writenews.com/2001/101901_brill_inside_close.htm

Brill's Content Closes and Primedia Acquires Inside

October 19, 2001

The popular, but unprofitable entertainment industry website Inside.com is being closed and sold to Primedia. Under Primedia ownership the website will become a portal for fee-based industry content from Primedia's Media Central. *Brill's Content*, a print magazine and website which covered the media, is also ceasing publication. The sale of Inside brings an end to the short-lived Brill Media Holdings and Primedia joint venture. 38 employees will be let go in the process.

The Brill and Primedia joint venture was created in April, 2001, after Powerful Media, the company which founded Inside.com, started looking for a buyer because it was burning cash too quickly and the advertising economy was starting to weaken. Powerful Media chose to sell out early rather than face the rounds of layoffs, expense reductions and VC capital begging that other dot-coms have endured. Media mogul Stephen Brill's company, Brill Media Ventures, acquired Inside.com in a joint venture with Primedia, which put Brill in charge of Media Central, a portal for Primedia's publishing and media trade publications. Over 50% of Inside.com's employees were let go shortly after the merger.

After the merger, *Inside Magazine*, a print version of Inside.com which had launched in a partnership with the Industry Standard, ceased publication. The print magazine only lasted one issue. The publication was supposed to re-launch as *Inside Content*, a combination of *Inside Magazine* and *Brill's Content*, but the project was put on hold. The Inside.com website was then switched to a fee-based model, but the company struggled to attract subscribers. The website's popularity also begin to erode once the content was no longer freely available.

In addition to closing *Brill's Content*, Stephen Brill also recently shut Contentville.com, a website which offered a variety of content ranging from thesis papers to ebooks. An article on Inside.com, by Inside.com journalist Seth Moonkin, tells part of the story about how the merger unraveled, including a soured relationship between Stephen Brill and Primedia CEO Tom Rogers. Primedia has also been struggling this year and its stock has dropped below the $2 per share mark. Brill will stay on for another three-months before leaving his job as CEO of Media Central.

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The Two Brills

By Rob Walker

Updated Thursday, Oct. 25, 2001, at 4:18 PM ET

I've always wondered what Steve Brill the journalist would make of Steve Brill the aspiring mogul. The latter had a pretty lousy week, summed up in a headline in Tuesday's *Wall Street Journal*: "Brill's Media Empire Ends in Collapse." He confirmed that his watchdog magazine *Brill's Content* is history and that his relationship with Primedia has unraveled. These things were widely expected and have been greeted with no small amount of *Schadenfreude*. Nevertheless, you can bet that Brill will be back—but which Brill?

Certainly we haven't heard the last of Brill the journalist—or at least I hope not. In the interest of disclosure, I'll mention that my first New York journalism job was at Brill's *American Lawyer*. I ended up spending about two and a half years at the magazine, first as a reporter, then as an editor, leaving for good in 1995. By then he was spending a lot of time on his newer creation Court TV, but let's just say that his presence was always felt at the magazine. And as a journalist, he was always incredibly impressive: He was fearless, had an almost-flawless bullshit detector, and held his employees to high standards. (Famously, he expressed those standards bluntly. "You should be fired" was part of the note he wrote at the top of one piece I edited. Another article that apparently fell short came back with the words "Is this some kind of prank?" scribbled across the top.) *The Teamsters* was a great book, and he wrote many excellent stories for *AmLaw* (and often improved the work of many talented writers who cycled through the place). He even made impressive journalistic contributions to *Content*. I certainly learned a lot at *American Lawyer*, although it would be disingenuous of me not to mention that one of the things I learned is that I had no interest in ever working for Brill again. (Then again, it would be even more disingenuous for me to leave the impression that he would care.)

Anyway, what I never really understood was Brill as mogul. His first mini-media empire consisted of *American Lawyer* magazine (which he founded a couple of years out of

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law school), a string of other legal publications, Court TV, and an online service for lawyers. The publications and online service were part of his limited partnership with Time Warner, American Lawyer Media; Court TV's co-owners included Time Warner and NBC. The Brill entities produced a lot of quality journalism, but did they make money? Mogul Brill rarely if ever offered specific profit-and-loss numbers but always made an enticing case for the potential of this or that project. Regarding that online service, for instance, he once told the *Times*, "It's seen by people who know as the most successful business model of an on-line enterprise ever created." Yeah? What would journalist Brill have made of that?

All these properties were sold to Time Warner in early 1997. (Brill's payout was supposedly in the eight figures, though of course he's never confirmed that.) Time Warner only wanted Court TV—which at the time was reported to have turned a profit the year before—and it sold off the rest to Bruce Wasserstein's investment firm. Court TV never became more than a second-tier network at best and is today probably more valuable to AOL Time Warner as raw real estate on the cable dial than for whatever rounding-error revenue it produces. According to this SEC filing in connection with a debt offering by Wasserstein's firm, American Lawyer Media had net losses of around $6 million to $8 million annually from 1993 to 1996, much (but not all) of it attributable to that Internet service, which was eventually shuttered.

If you consider how little Brill compromised on the editorial quality he produced while adding little to less-than-nothing to his corporate masters' bottom line, it's easy to see him as a good-journalism hero. What's harder to figure is the logic of those who backed a second empire for a guy whose talent for journalistic innovation seems to easily outdistance his ability to profit from it. But Barry Diller and George Soros were among those to put money into the Brill venture that launched *Content*, and of course he got Primedia to serve as the backer of his final burst of empire-building centered on the acquisition of Inside.com.

It didn't work out. Now Brill has said he'll teach and hints that he may get a chance to run a "a larger, more established journalistic enterprise." But his main message has been to steadfastly accept blame: "If we had built

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a vibrant, independent, successful magazine, which is what I told the world I was going to do, we would have survived the economic climate we were in," he told the *Times*. So, does this mean that in his next incarnation he'll conclude he can do more as a great journalist than as a so-so mogul? Well, maybe Brill the journalist could coax a straight answer on that one. But when the closest thing to his proxy, a reporter for Inside.com, set out to cover the unwinding of the Primedia relationship, Brill the mogul had no comment.

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MONEYBOX

The End of the Line

Steven Brill's plan to improve airport security—and save you 30 minutes.

By Daniel Gross

Posted Thursday, Dec. 22, 2005, at 6:53 PM ET

Steven Brill is an enterprising reporter, in that he has made a habit of turning reporting into enterprises. In 1979, while still in his 20s, the Yale graduate founded the *American Lawyer*. In the 1980s, he started writing about why juries decided what they decided in high-profile cases. "Jurors always expressed great fascination with the trial, and I kept thinking: someone ought to televise trials," he told me in an interview yesterday. "I even wrote a column in the *American Lawyer* saying this would be a great idea. And when nobody did it, I decided to do it." So he created Court TV in 1991 and made a nice (but not publicly disclosed) chunk of change when it was sold to Time Warner in 1997.

Next, he founded *Brill's Content,* an earnest monthly magazine about the media industry. When it went belly up in 2001, Rob Walker noted in this space, "you can bet that Brill will be back." Walker wondered whether the returning figure would be Brill the groundbreaking journalist, or Brill the aspiring mogul.

It looks like it's both, but more the mogul. After 9/11, Brill got a big advance from Simon & Schuster to write a book about the emerging world of security and law and began writing a column in *Newsweek* about security issues. The 723-page tome he produced, *After*, was well-reviewed but little-purchased. It sold about 12,000 copies according to Bookscan, which counts about 70 percent of U.S. sales.

While researching the book, Brill spent a lot of his time cooling his heels in security checks at airports and office buildings. On his way to see Attorney General John Ashcroft in the fall of 2001, Brill spent 15 minutes in the Justice Department's visitors' center. "I gave them a driver's license, someone half looked at it, and gave it back. After 10 or 15 minutes, they just sent me up the stairs to see the Attorney General without going through a metal detector."

In a December 2002 *Newsweek* column, Brill laid out a potential solution to the twin fears gripping the nation: the anxiety about aviation security and the anxiety about the government's incompetence and tendency to violate privacy. A private-sector company should develop a sort of national identification card, he wrote. The company could sign people up, gather fingerprints, ask the government to perform background checks, and then issue special cards that would allow the prescreened holders to pass through dedicated lines at airports and buildings. The machines through which the cards would be swiped would also be equipped with biometric technology to read fingerprints or iris scans. Following the publication of *After* in the spring of 2003, Brill decided to launch such a company himself.

Brill had the keen insight that it would take an outsider to make the security pass happen. He had no faith that the government could pull off something like it. After all, as he notes in the book, the Justice Department and the Immigration and Naturalization Services had been unable to figure out how to merge their own fingerprint databases. Meanwhile, big government contractors would just wait for a big contract rather than try to develop a solution.

With some of his own cash, later augmented by investors such as Lehman Brothers and Baker Capital, he started Verified Identity Pass, Inc. The logic of the business seemed impeccable. It wouldn't cost the government anything to set it up—TSA would be asked to review and approve (or reject) applicants that Verified Identity signed up. In an era when airports compete against others nearby for customers, special VIP security lines would be a nice perk to offer customers. Frequent flyers—many of them businesspeople for whom time is money—might be expected to pay for the privilege of avoiding long lines at regular security. And Brill reasoned they'd be more likely to trust a private company with information than the government. As far as the potential impact to overall airport security, the prescreening process would subject travelers to a higher level of scrutiny than they normally receive when their drivers' licenses are examined at the airport. "You still go through the magnometer, and your bags still get X-rayed," said Brill.

Brill then had to sell the product—a system he called Clear—to individual airports. In June 2005 the Greater Orlando Aviation Authority awarded a contract to Verified Identity and Lockheed Martin to design and manage a pilot program. (In 2004, as part of its efforts to deploy a Registered Traveler Program, TSA had started five free pilot projects of its own at airports around the United States. The pilot projects all ended last fall.) Seven weeks later, Clear was up and running at Orlando International Airport. So far, 12,000 Orlando flyers have signed up at $79.95 per year.

As described by Brill, the Clear registered traveler program is very simple. People fill out applications online and give fingerprints and iris images in person at the airport. Once TSA approves the flyer, he receives a card that entitles him to go through a specially marked line, manned by a Verified Identity Pass employee. (You also have to swipe your finger.) As Brill told Congress in early November, a study of the Orlando operations showed that "our members typically spent four seconds and never spend more than three minutes waiting to go through security, whereas non-members often spent more than thirty minutes."

Clear is slowly rolling out. In late November, San Jose International Airport said it plans to introduce Clear, once it receives TSA approval. In his November congressional testimony, Brill said Clear is poised to launch at 30 to 40 major airports.

So, will Verified Identity be the next Court TV? Or will it be the next *Brill's Content*? So far, it's a small business: 12,000 customers paying $80 a year adds up to less than $1 million in annual revenues. And the process of signing up individual airports is laborious. Plus, there's some deep-pocketed competition coming. Biometrics company Saflink earlier this month said it was forming a partnership with Microsoft, Johnson Controls, Expedia, and other companies to offer a similar service. Last week, Laura Meckler reported in the *Wall Street Journal* that Unisys is interested in the market as well.*

On the other hand, with several hundred airports and millions of frequent flyers who would be glad to pay to avoid inconvenience, there's probably room for several competitors. And the risk that the government would simply decide to offer this service on its own seems low. In November, Assistant Secretary of Homeland Security Kip Hawley said the government is "committed to maximizing private sector involvement in the operations of the Registered Traveler Program."

Four years after *Brill's Content* folded, Brill may have launched a product that lots of people are willing to subscribe to.

Correction, Dec. 23, 2005: *In the original version of this article, Dan Gross misspelled* Wall Street Journal *reporter Laura Meckler's name. He also undercounted the number of registered traveler program pilot projects. Initially he wrote that there were four. There were five. Both errors have been corrected.*

*Daniel Gross is the Moneybox columnist for **Slate** and the business columnist for* Newsweek. *You can e-mail him at moneybox@slate.com and follow him on Twitter. His latest book,* Dumb Money: How Our Greatest Financial Minds Bankrupted the Nation, *has just been published in paperback.*

Article URL: http://www.slate.com/id/2133060/

- THE WALL STREET JOURNAL.
  WSJ.com
- June 22, 2009, 8:02 PM ET
- http://blogs.wsj.com/middleseat/2009/06/22/un-clear-registered-traveler-company-shuts-down/

Un-Clear: Registered Traveler Company Shuts Down

The registered traveler company CLEAR, launched by entrepreneur Steve Brill, will shut down tonight, according to its Web site.

Parent company Verified Identity Pass Inc. said on its Web site it was "unable to negotiate an agreement with its senior creditor to continue operations."

Clear began in 2005 with the potential to make airport security quicker and easier for frequent travelers. For an annual fee, Clear would collect information and put something through a government security check. Once cleared, the traveler, in theory, would have privileges at Transportation Security Administration checkpoints. It was originally envisioned as a "trusted traveler" program.

But TSA never was comfortable with the notion of "trusting" any travelers, and so the security benefits of a Clear card boiled down to getting a special lane and some staff to help carry plastic tubs for you. For some people, moving to the front of a line was worth the price. But many travelers now receive that benefit with special lines for elite-level frequent fliers. And since lines are, for the most part, far less of an issue for travelers, the re-named "registered traveler" program has been slow to catch on with the flying public. Clear only was available at about 20 airports around the country, and often only at specific checkpoints at those airports. Mr. Brill had stepped down as CEO in March.

Clear was the largest of the registered traveler programs, with some 165,000 members, but not the only vendor. FLO Corp. is the second largest in the U.S.

The Persistent Failure of Steven Brill

By *Hamilton Nolan*, 11:06 AM on Tue Jun 23 2009, 5,179 views
http://gawker.com/5301041/the-persistent-failure-of-steven-brill

has a reputation for being a media wise man—a deep-thinking mogul who's always spotting the opportunities of The Future. Which is kind of strange, since the majority of his projects have been ostentatious failures.

Brill's latest company, "Clear," which was supposed to save rich people a half hour standing in security lines at airports in exchange for $128 a year, is shutting down. Let's do a quick and dirty balance sheet of Brill's successes and failures—keeping in mind that to do your best is all your mom really asks.

Successes

The American Lawyer: Brill launched what would become the nation's leading legal magazine in 1979. This is not an unqualified success, though, since American Lawyer Media (now Incisive Media) is having problems right now.

Court TV: Brill created the network (now truTV) in 1991. After receiving a huge popularity boost from the OJ Simpson trial, it was sold it to Time Warner in 1997. For which Brill got a tidy sum.

Emily Brill: Steven's daughter, the ultimate narrator.

Failures

Brill's Content: Launched in 1998, this mediacentric mag was supposed to capitalize on America's insatiable thirst for news about the news! Turned out not that many people really care about the news about the news. Not enough to pay money, at least. Stopped publishing in 2001.

Contentville.com: A website selling "a variety of content ranging from thesis papers to ebooks." Closed in 2001.

Inside.com: The legendary media site that launched the careers of many top media reporters and also failed to make any money. The magazine version of Inside was merged with Brill's Content, and the website was part of a convoluted plan with Primedia to corner the market on media trade publications, but the whole thing was shuttered in 2001.

Clear: In the post-9/11 world, Brill noticed, airport security sure was a hassle. People would pay to be "verified" beforehand so they could breeze right through! Right? 165,000 people did, reportedly, and Clear raised more than $100 million from investors, but now it's dead, unable to afford to keep going.

Brill also wrote a couple books which didn't sell all that well and a column for *Newsweek*, but you can judge those on their own merits. He's not out of the game, though—his other ongoing venture is Journalism Online, a company that plans to help various magazines and newspapers charge readers for online access. Bet on it!