

McSWEENEY & ANTMAN'S OCCASIONAL UPDATE NO. 2

From the corporate branding and strategic communications firm **McSWEENEY & ANTMAN**. Welcome to the second edition of McSweeney & Antman's Occasional Update, our periodic compilation of useful information and interesting news to report. As always, if you wish to unsubscribe, just reply to this e-mail with the word "unsubscribe" in the subject line.

1. NEW McSWEENEY & ANTMAN CLIENTS

McSweeney & Antman welcomes **Lind-Waldock, a Division of Refco, LLC**, to its client roster. We are providing marketing communications services to Lind, www.lind-waldock.com, one of the largest futures brokers in the world for individual traders and investors.

McSweeney & Antman recently began providing investor relations services to **DiamondCluster International, Inc.** (Nasdaq: DTPI) www.diamondcluster.com, a premier global management consulting firm headquartered in Chicago.

Separately, we also have begun providing investor relations services to a leading provider of post-secondary education. For a full list of our current clients, please visit our Web site at www.mcsweeneyantman.com.

2. WHY (MAYBE) YOUR COMPANY'S STOCK IS MIS-PRICED

Using better corporate disclosure to help prevent stock mis-pricing was the topic presented by New York University Professor Baruch Lev www.baruch-lev.com as keynote speaker for the National Investor Relations Institute (NIRI) Annual Conference in Phoenix this summer. (Yes, Phoenix. In summer.)

Lev, an expert on accounting for intangibles, presented research showing, among other things, that the capital markets systematically mis-price the stocks of companies with high levels of investment in research and development, in part because the markets can't accurately value this intangible asset. To address this, Lev recommended that companies provide greater disclosure linking discrete inputs (e.g., investments in intangibles such as R&D) with outputs (e.g., patents and citations) and with ultimate results (e.g., innovation revenues) on an historical basis.

Companies, however, create value through the combination of many intangible and tangible assets, and the market values firms on their future cash-generating capacity. For an analysis of how companies can combine these elements into a corporate brand that helps the capital markets better understand their overall ability to generate value and grow, visit our Web site at www.mcsweeneyantman.com/index.asp?page=10&content=4.

3. SELL-SIDE SWAN SONG?

The NIRI conference also featured a Wall Street Panel that included portfolio and hedge fund managers, and none predicted a bull market for sell-side research as we know it. Michael Kennedy, portfolio manager with American Express Asset Management, noted that an end to soft-dollar payments for research (which the Mutual Fund Directors Forum www.mfdf.com recently supported in a controversial report) would dramatically reduce the number of analysts his firm uses: "When we pay in hard dollars...we are not going to pay all 10 of the largest brokerage firms for the same airline coverage."

In this environment, what can companies, particularly small- and mid-caps who already face a dearth of coverage, do to get the attention of potential investors? The panelists agreed that more and more they are turning directly to the company, and its investor relations web site, for information and data. As a small-cap

portfolio manager advised firms with limited sell-side coverage, “Hire a good investor relations company.” (McSweeney & Antman would be happy to recommend one.)

4. A NOVEL PIECE OF NEWS

McSweeney & Antman principal Michael Antman recently signed a contract with ENC Press for his first novel, “Cherry Whip,” the story of an eccentric Japanese jazz musician who suffers a series of serio-comic disasters on his first trip to New York City. The novel, which was inspired in part by the three years Michael spent working in Japan as a cross-cultural trainer, is scheduled for publication in December. For a synopsis of the novel and more information, please visit www.encypress.com/CW.html.

5. A CATEGORICAL DENIAL

The bigger a company is, the more likely it is that its employee or consultant hiring decisions will be governed by a checklist that automatically filters out the vast majority of candidates, including the very best ones. For our counter-intuitive take on why most companies apply selection criteria incorrectly, and a list of practical suggestions for how to increase the odds of choosing a winner, please read our new two-part essay, “A Categorical Denial,” at www.mcsweeneyantman.com/index.asp?page=10&content=5.

6. POP GOLD

McSweeney & Antman is developing a new newspaper column on popular culture collectables, “Pop Gold,” on behalf of our client Reel Art and its owner and president Cory Glaberson. Over the coming months, we will market the column to publications in the Chicago area. For a sneak preview of the new column, please visit the Updates section of our Web site www.mcsweeneyantman.com.

7. MCSWEENEY & ANTMAN IN THE NEWS

From Lewis Lazare’s “Ad Notes” column in the July 23 *Chicago Sun-Times*:

“Michael Antman’s first novel, *Cherry Whip*, about an eccentric jazz musician who contracts a devastating disease, will be published by ENC Press in December. Antman is a principal with corporate communications agency McSweeney & Antman/Chicago.”

From the Summer edition of Northwestern University Kellogg Graduate School of Management’s *Kellogg World*:

“Dennis McSweeney recently formed McSweeney & Antman, a corporate branding and communications consulting firm in Chicago. The firm helps companies define or refine their corporate brands and communicate more effectively with key stakeholders, including investors, customers, employees and the public.”

CONTACT MCSWEENEY & ANTMAN

As always, we welcome your comments, questions and suggestions. Please contact Dennis McSweeney at dennis@mcsweeneyantman.com, Michael Antman at michael@mcsweeneyantman.com, and Riva Aidus Hemond at riva@mcsweeneyantman.com.