



# THE HOLLEMAN COMPANIES

*Four Generations of Financial Security Leadership*

## Holleman Business Succession Forum



### **CATHERINE MERRILL WILLIAMS**

President and Publisher  
*Washingtonian Magazine*

Interviewed by Vernon W. Holleman, III

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THE HOLLEMAN COMPANIES

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## INTRODUCTION

Mr. Vernon Holleman: This is Vernon Holleman, and welcome to the Holleman Business Succession Forum and my interview with Cathy Merrill Williams, President and Publisher of *Washingtonian Magazine*. Cathy was dealt a tough hand. She was working in another profession in another business when her father unexpectedly died roughly four years ago. What you'll hear in this interview is how the roots of her capacity to ultimately have taken over and now run *Washingtonian* really began in the home when she was quite young. A lot of the lessons that her family instilled in her have translated to her capabilities of running the business. We talked very candidly about how you deal with a tragedy, some of the things that were saving graces as they transitioned from the immediate to the decision to take over, which happened about a year later, and also about the difference between family fairness and equitability. Certainly, we talked about non-family partner issues, taxes, timing, and things of this nature. So, I think what you'll get from this is a good sense of if you run a business what you ought to be instilling in your children, whether they come into your business or not. I hope that you will gain from this and enjoy it. Thank you.

## INTERVIEW

Ms. Catherine Merrill Williams interviewed by Mr. Vernon W. Holleman, III, September 30, 2010.

Mr. Vernon Holleman: Cathy, welcome to the Holleman Business Succession Forum.

Ms. Catherine Merrill Williams: Thank you.

Holleman: And, as I mentioned, one of the things we're trying to achieve with this forum is to give people a sense of circumstances revolving around business continuity,

succession and any number of things that can happen, in particular in family businesses.

So, we sit here in early 2010, and you've been the president and publisher of the

*Washingtonian Magazine* now for almost three years, correct?

Merrill Williams: Correct.

Holleman: Before that, obviously, it was a much different circumstance. You weren't here. I thought before we talk about, obviously, the very sad and untimely death of your father and the subsequent entrance for you in the business, give us some background as to what you were doing before and sort of your earliest memories of the family business and what involvement, if any, you had in the business.

Merrill Williams: I don't know if I can give you my earliest memory, because it's that early. It would be pre-memory. My father, after a career as a diplomat and in government, borrowed a lot of money to buy some newspapers in Annapolis that were failing and, you know, he had to borrow, and, like many family businesses, a struggle to become successful. That all occurred the year I was born. Actually, he bought the company when my mom was seven months pregnant. I was born in March. That happened in December.

Holleman: Double down. Were you the oldest child?

Merrill Williams: I'm the middle child.

Holleman: The middle child, okay.

Merrill Williams: So, I had a brother who is 16 months older. So, my mom -- two small children, later followed by my sister Nancy five years later. So, we grew up in Annapolis really in this newspaper plant, where my father would bring us to work on days off school or on Saturdays, and would give us free rein and we would terrorize

people. But we could start the presses. I can remember being very small and having to be picked up by my armpits to press the button to start the presses.

Holleman: Okay.

Merrill Williams: And, so we really grew up sort of in that business physically, knowing every little crevice probably in some ways that people didn't. We would hide places. We would go into closets. We would do whatever. So, that's my earliest memory. But, the second piece I'll say on it is that our family business was always part of our dinner conversation. We published the local newspaper, so what was on the first page, what they were working on, what stories -- and this was true for the magazines too, from both a substantive perspective, should they put a spotlight on State Circle or should they leave the stop signs, and from a business perspective, meaning I'm going to try to expand, I think we'll take this from weekly to daily, I think you've got to find the right people, I'm hiring someone. So, we sort of always -- it was just always very much part of our family, current events, meaning the newspaper business, and the business.

Holleman: Sure.

Merrill Williams: Some families aren't that way. Some families don't discuss their business at their dinner table.

Holleman: Yes.

Merrill Williams: We were not that way.

Holleman: Even family businesses don't.

Merrill Williams: Yes.

Holleman: That's good. So, what I'm hearing is not only that -- what was in the papers and the magazines but also even some of the detail on the papers. In other words, you had a sense, hey, this was profitable or this wasn't.

Merrill Williams: Yes.

Holleman: Maybe it was a little more vague. You weren't getting spreadsheets.

Merrill Williams: No. And we didn't really -- we never really discussed money growing up. So, it wasn't the money side of it but it was why you would do something, why it would be good. Actually, so we're sitting at *Washingtonian Magazine* in 1976, when my father went to buy *Washingtonian Magazine*, we sat down, and I remember it, and discussed it as a family. We owned -- he went from the newspapers to buying *Baltimore Magazine* and then *Washingtonian* came for sale. It was a very small publication at the time. We sat down, had a family meeting, and my father said should we buy it. As he always said, our family was not a democracy. It was a benevolent dictatorship. So, I don't know how much our vote counted but it counted a little.

Holleman: Sure.

Merrill Williams: I was seven. I voted against it. And I remember --

Holleman: Wow. Tell us why.

Merrill Williams: Because we asked how long would it take you to get to work every day. And he said this would be great and he talked about the magazine. But, it would be an hour to and from work. Remember, in 1976 people didn't commute like that. Today, an hour is not a long commute for a lot of people. Back then, people in Annapolis were in Annapolis. It was in no way a bedroom community of Washington. So, as a little kid

we were like that's so far. You couldn't do it, Dad. It would be great if you could do it, but it's really --

Holleman: Yes. Too bad. Give up on that one.

Merrill Williams: Yes, give up on that. But, it was part of a family discussion. He didn't come home and say, hey, I bought a magazine today. We knew.

Holleman: Yes. And that's very different than, I think, a lot of people would approach it. So, you were around the presses and the things. Did you have specific jobs in the summers or anything early on that were either required, as part of just the mandates of family, or that you sought after or things of that nature?

Merrill Williams: So, we all three of us had to have summer jobs. I am still a huge believer that a summer job and a summer job ethic sets people on the course for life. It is one of the first questions I ask when I interview anyone what were your high school or summer jobs. That's how much. We bussed tables. We cleaned boats. My brother worked in a boatyard. Waitressing, all of these kind of jobs. Of the three of us, I worked one summer selling classified ads in the newspaper. But, that was not --

Holleman: How did you do?

Merrill Williams: You know what, here, I was about to say, I did fine. I was, I think, 14, and it wasn't that they wanted to involve me in the family business. It was that no one else would hire me. I had no other way to get to work. So, this way I could go to work because my dad could drive me and if we took summer vacation and did something he could sort of arrange that I had time off. As we got older, if you have a real job, it's a constraint on the family.

Holleman: It gets more difficult, yes.

Merrill Williams: And so, it was not an intention of I want you to know the business. It was I want you to realize how people work, what it means to work, to learn something at work, and that just happened to be a convenient place for them.

Holleman: Was that the only time until recently that you worked specifically for any of the businesses?

Merrill Williams: I interned here at *Washingtonian* my summer between my freshman year and sophomore year in college. Well, that's not fair. Hold on, I had a bigger job before that. I'm forgetting. Junior year in high school and senior year in high school I worked as a photojournalist for the newspaper. When I say good money, I mean, when you're 17 if you make \$200 at the end of the week that's very big money.

Holleman: Yes. It's all the money in the world.

Merrill Williams: Right. But, it was a really good fit. I loved it, I loved it, because they assigned me to cover high schools. So, I got to go hang out at all the high schools, do all the high school sports, take pictures, which was hanging out with my friends, and getting paid. I'm not sure if my journalism ethics had sunk in. If I thought a guy was cute, he definitely had a better chance of making it in the newspaper than --

Holleman: Well, that certainly hasn't changed in today's world.

Merrill Williams: Yes.

Holleman: Now, tell me, at that point is your mother involved in the business?

Merrill Williams: My mother was involved. My father actually served seven terms in government in various jobs throughout his life. So, there were several times throughout my life that he went to serve in government and my mother would take over and run the company. I'd have to check the dates, whether when I was working there -- I

believe he was there, as far as I can tell, but I wasn't in the office a lot. I was out shooting pictures and I'd come into the darkroom, develop my film, give it to the production staff at the newspaper and leave. I didn't have interaction. But, my mom was always very involved in the company.

Holleman: From the youngest days of it starting, it sounds like.

Merrill Williams: Yes.

Holleman: Yes. So, was most everything still in Annapolis or --

Merrill Williams: We had *Washingtonian*. My father would split his days, and usually spends mornings in Annapolis and then afternoons in Washington. But, for me I was in high school. Annapolis was my high school place.

Holleman: Sure.

Merrill Williams: So, certainly we would come in to the magazine to visit. You know, I was a high school girl. If I came into Washington to the magazine I was like where is the mall. We came in because it was the city.

Holleman: Sure.

Merrill Williams: You know, I would bring in one of my girlfriends. You know, when you're a little kid in a newspaper factory that's fun. There's fun stuff. When you come into an office like this it's not so fun if you're 13, 14 or 15.

Holleman: Yes.

Merrill Williams: So, we would go hang out in Georgetown.

Holleman: So, what about your siblings? Did they have the same type of involvement or none at all?



Merrill Williams: They didn't have any at all, that I can recall. I wonder if my sister did. But, no, my brother never worked for the papers. He's an engineer, and you knew when he was two years old that he was going to be an engineer. So, that wasn't really a calling for him. By the time my sister got to high school my father was serving at NATO and she went to high school in Belgium. So, it was sort of less of an option for her. She did work on the school newspaper when she went to Cornell. My whole family went to Cornell. So, she has sort of some journalism background through her college days, but she never worked directly for the family business.

Holleman: When you were young or even into early adulthood, did you have conversations with either of your parents about coming into the business or were you determined not to as an early sort of career person? Tell us about that thinking.

Merrill Williams: So, that's a good question, and it was thought out on my parents' part. So, let me answer it in two ways. The first way is from the -- both my parents grew up very modest means, if not poor on my mom's side. They were concerned, I think, about us growing up spoiled. By the time we were little they had had some success in their business. So, we were told from a very early age you have to make it on your own. My father would often say to us I grew up with nothing, and I made something. Your mother grew up with nothing and she made something. I've given you a first-rate education. I have taken you traveling around the world. I've given you almost everything you've asked for, and you're in good health. If you can't make something of your life for yourself, that's your problem. It's not my problem. I mean, in a really nice way, but he's right. I feel that way, which is it's incumbent upon you. We were all given this great start in life that most people didn't have, and my parents didn't have. So, we

knew from a very early age that we had to make it on our own and that the money was not coming to us at the end of the day. So, that was the first piece of it. There's going to be three pieces. I'm sorry, I correct that to three things. The second piece of it is we are a philanthropic family. My father often told us -- if we asked well, where would the money go, what about the money you've made, Dad, where would it go, hey, I'm giving it away. It's not going to you. It's going to be given away to this country where I made my money, it will be given back, and that is essentially true and what has happened. The third piece of it is that we had family meetings every year, family conference on Thanksgiving. So, Thanksgiving is a day of giving thanks. We still to this day do all of our philanthropic giving on Thanksgiving.

Holleman: That started at a young age?

Merrill Williams: Yes. I don't really remember when they started but, yes, we were teenagers. I mean, I don't think we had them when we were five, six or seven but --

Holleman: Early enough.

Merrill Williams: -- early teenhood, probably. We sit down and we go through all -- I mean, we did it this year. We go through all of our charitable giving on Thanksgiving. That provided a platform for conversation --

Holleman: Indeed.

Merrill Williams: -- which, in retrospect, turned out to be very important. So, yes, we discussed it in those meetings.

Holleman: Yes.

Merrill Williams: So, to summarize, one, we were expected to make our own way in life, given the advantages we had. Two, we were raised to believe that the money wasn't

coming to us so we better do the first. Three, we had family meetings that we could discuss and ask questions about how things would happen. What would go on, myself taking over the company, as we got older those came up in those meetings, which I think made for a very smooth transition.

Holleman: So, tell me about the first discussions of that last piece, you taking the family business over. Are you now in your twenties or thirties or --

Merrill Williams: Yes.

Holleman: Okay.

Merrill Williams: I was probably in my late twenties. My father would --

Holleman: Just as background, essentially after your education you went to Mercer.

Merrill Williams: I went, and I was a partner in a management consulting firm for seven years, traveling 45 weeks a year, but getting an education. I had some early think tank work in Washington. I had gone and gotten my master's at London School of Economics, went and did management consulting for seven years, and then worked for five years for a large government contractor.

Holleman: While you were at Mercer this first came up, or more the latter?

Merrill Williams: I think it was probably when I was at Mercer, but I don't really remember. There was never one discussion where we sat down and my father said okay, this is what I've decided, Cathy is going to get the magazine.

Holleman: Yes.

Merrill Williams: It really didn't occur that way. I think it started probably -- my father would often say, and I think this is really helpful, it is certainly helpful to us as we think about it, my brother and sister and I -- my father would always say it's not my goal

to be equitable. It's my goal to be fair. So, the example he would give would be if he wanted to pay for my kids to go to private school it didn't mean that he had to give that money to my brother. It just meant that if -- my brother's kids go to public school. If my brother wanted to send his kids to private school he would have to pay for that too. You know, you have situations where someone has a health crisis and the parent has to step in and pay for the health crisis. Well, let's say they paid \$20,000 in medical bills. It doesn't mean all the siblings get 20,000. What it means is if you get sick and I paid for your health problem if someone else gets sick I'll pay for their health problem. That's fair. It's not equitable, because you got a larger benefit. But it's fair. So, I think the conversation started around fairness. Then, he would often say that most family companies, when they get passed to the kid, it ruins the company. I remember hearing this very early on in my life, like it's very rare that a family company is successful in the next generation, because the next generation of people generally do not have this passion that the first generation had. Because my father loved journalism, that doesn't mean that his kids are going to love journalism. How rare is that, that someone shares a passion for a business that their parents loved? So, he felt that often businesses get passed to their kids and it's a burden and it's bad for the business and it's bad for the children. So, at some point what evolved was that I might be a good fit for the magazine. We would discuss it. He would say very bluntly to my brother I don't think you would be a good fit, because you love engineering. My brother would say yes, I wouldn't want to run your businesses because that wouldn't be fun for him.

Holleman: Sure.

Merrill Williams: My sister is an environmentalist, and he would say I'm not sure that's right. But he would say to everybody Cathy lives in Washington. She understands the magazine. Cathy might be a good fit for the magazine. He would say if any of you wanted to be in the newspaper business at this point you would have been in it.

Holleman: Yes. Somewhere else, sure.

Merrill Williams: Somewhere else.

Holleman: Yes.

Merrill Williams: You would have come out of college and said, hey, I want to be a journalist. I'm going to go work for the *Dallas Morning Star*. Or, I want to be in the newspaper business, I'm applying for a job at Gannett. He felt if it was truly our passion we would have found our way into that business.

Holleman: Sure.

Merrill Williams: But, for whatever reason he felt that I would be a good fit with the magazine. So, he wouldn't say, hey, I'm going to leave in my will that Cathy gets the magazine. He would just make this I just want everyone to know I don't feel the need for things to be equitable. I feel the need for things to be just or to be fair, and you should know that I'm thinking that Cathy is a good fit for the magazine.

Holleman: Well, in our experience we've seen that articulating what you're describing -- and you've expressed it very clearly, how vitally important that messaging is, especially when you have a tragic circumstance come up. Help us think through those conversations. It's sort of more seed planting or --

Merrill Williams: Yes.

Holleman: -- casual dialogue, as opposed to sort of a finale you're it --

Merrill Williams: Yes.

Holleman: -- here are the keys kind of a deal. How important, looking back to your confidence in what you're doing today, were some of those discussions.

Merrill Williams: I don't think to my confidence they were important at all, because the thing that he would say is -- it's sort of ironic, given his death, but Cathy, you better understand that I plan to run the businesses for the next 20 or 30 years. So, you better find something to do with your life for the next 20 or 30 years. That's what he would say.

Holleman: I see.

Merrill Williams: So, I mean, 20 or 30 years is a really long time. So, I lead my life the way I wanted to lead it. I took jobs I wanted to have. I didn't ever think in the back of my head oh, one day I might have the -- I might be able to run the magazine. Literally, even though he said this, I was planning my life for me. So, in no way did it -- I mean, maybe now I can see it as confidence, because now I look and think wow, that's nice that he thought that I could do it. But I didn't think that at the time. Where it was extremely helpful was with my brothers and sisters and siblings.

Holleman: Yes.

Merrill Williams: So, when he did die and we ended up selling the companies -- we had a real estate company as well, and some other companies, and keeping the magazine, it was in no way a -- it had been discussed. So, there wasn't any issues between my brother and sister and I.

Holleman: That's a nice story to hear, because so many don't turn out that way. So, we've talked a little bit about, you know, the journey you were on and the work you were

doing. Obviously, it had given you great exposure, because you were in a management consulting field running around the country or, perhaps, the world. You were seeing all sorts of things. So, you were gaining some business acumen that I'm very certain pays multiple dividends at this juncture. So, I think it was June of '06, obviously, you get this terrible shock, news, obviously the grimness of losing a parent, especially suddenly, I don't have words for that, take us through the early thinking -- how early was your thinking about maybe it's time now after he died. How --

Merrill Williams: Oh, that's a good question. I guess -- that just is an excellent question. It was a very tough time. So, I think I knew that the magazine was going to be mine. But, I actually was still working at ACS, at my government contracting job, and I stayed there for a year while we had to sort of detangle the company. So, it was talking to lawyers and things. We sat as a family. So, that was sort of a weird year, because I kind of knew I was going into a job but I didn't have that job yet. But, I don't think there was a -- I mean, I knew as soon as I knew he was dead that somehow or other this would end up my way. But, I also was smart to understand that this isn't like okay, it's tomorrow, you're walking in there, that it was going to be -- I mean, it must have been -- we must have sat down with our lawyer, who must have told me at some point, I don't remember, or all of us, hey, it's going to take us a year to figure out what to do. We didn't know, did my mom want to continue running the company, did we want to sell the companies. That was a very big decision.

Holleman: Sure.

Merrill Williams: Would I come in and run all the companies? And so, there was just a lot of discussions.

Holleman: I guess the good news was you didn't have any significant urgency because she did have the experience in running the companies.

Merrill Williams: Yes.

Holleman: Is that fair?

Merrill Williams: That's fair.

Holleman: Yes.

Merrill Williams: I think in retrospect it would have been the worst decision ever. I think we wanted my mom to come in and continue running the companies. But, the company had a minority partner that had been our minority partner for 30 years. They had, I guess I'm making it a little too basic, but a first refusal on the business outside of the magazine. So, my mom said no, no, they'll be great stewards. We pressured her a little bit, like are you sure, are you sure, are you sure you're not just grieving type of thing. You know, we were in the newspaper business. If you were in the newspaper business in 2006, like, wow, did we get lucky when we sold. I think my mom did have her head about her. I think she was grieving, but I think she knew exactly what she was doing.

Holleman: Yes. Well, that's nice to hear too, because a lot of times -- I remember somebody told my mother don't make any major decisions for a year.

Merrill Williams: We heard that too, and in a few things that really served us well. For us, major decisions are my father died on a sailboat, should we sell the sailboat. Of course, our initial reaction was get rid of the sailboat. People told us don't make any major decisions for a year. Well, six months went by and we were like well, it's a nice



sailboat. We still have it. They're going to fix it up. We still have the sailboat. So, we were glad at some things.

Holleman: Yes.

Merrill Williams: But, again, because my mother had been through these discussions with my father and we had had these family meetings --

Holleman: You were prepared --

Merrill Williams: -- she was prepared.

Holleman: -- far more than --

Merrill Williams: She knew that this is what he wanted. She knew that this was the plan, like she didn't have to give a lot of thought. And, every business is different but I would say this. Having someone buy it who we had this partnership with made it a lot easier than a stranger. So, the analogy I always use is like if you sold your beach house to your cousin, like my mom could keep an office there. She could keep her secretary. So, it was a smooth transition versus had we put the thing on the block --

Holleman: Sure, in a fire sale type deal.

Merrill Williams: Yes.

Holleman: And as I understand it, the minority partner was also a family-owned business. Is that correct?

Merrill Williams: Correct. It's funny, I remember I once asked my father, Dad, if you die and we sell the company to Landmark how will we know that we get the best price from Landmark. Again, it's like saying hey, I want you to sell your beach house to your cousin.

Holleman: Yes.

Merrill Williams: Right, like your cousin might say okay, I'll give you a dollar for your Hamptons beach house, or whatever. I remember my father said because I have dealt with them for 30 years and they are honest, good, straightforward businesspeople and they're going to give you a fair deal. And you shouldn't care about whether you could get five percent more somewhere else, or if they're overpaying by five percent. They're noble, honest people. You take the offer that they give you, because it will be a fair honest offer.

Holleman: So, the stewarding that you thought would happen and the fair dealing did in fact occur?

Merrill Williams: Yes, of course.

Holleman: Yes. I would assume that -- not only does it sound like he had some trust in them as individuals but I would think that perhaps because it was a family business and they could, perhaps, empathize that that also made things easier? Is that correct?

Merrill Williams: I think that made it easier for the employees.

Holleman: Yes.

Merrill Williams: We really cared a lot.

Holleman: Yes.

Merrill Williams: Our number one concern was our employees.

Holleman: Yes.

Merrill Williams: So, we would have -- we were reminded of this often, and I think everyone in a family business feels this way. We would have nothing if it wasn't for the people who worked for us.

Holleman: Sure.

Merrill Williams: We owe more to our employees -- we've gotten more from them -- not that they didn't have jobs and -- I mean, they got paychecks for a long time and good pensions and all of these things.

Holleman: Sure.

Merrill Williams: We're tried to pay it back to the degree that we could. But -- I mean, do you feel that way in your business, that you've gotten more from your employees than you've given?

Holleman: Sure. Yes, absolutely.

Merrill Williams: I just take away that it was nice that we at least had thoughts to who he wanted this business to go to. I mean, we had more than thoughts. But I think that -- people get wrapped up in money. Let me say this one thing. My overall feeling, and I know my brother and sister feel this way, and this is what really is very guiding, my parents earned all the money that we have. If we get a penny of that money, it's a penny more than we would have. We didn't earn it. They earned it. So, we don't really -- my brother and sister and I really don't have fights over money, because we view anything we get -- it's like your bonus.

Holleman: Sure.

Merrill Williams: It's extra. I think a lot of the people I talk to, even outside of family businesses, just family that the parents pass away, the kids get very wrapped up in did I get the same as her and I was supposed to get this and I was supposed to have the earrings and this was supposed to, supposed to, supposed to. But, none of that money is really -- whether it's the earrings, the house, the car, hey, you didn't earn any of it. So, just be thankful for getting anything.

Holleman: My sense would be that your attitude and your siblings' attitude on that was developed in those early meetings over Thanksgiving, and the expectation management that clearly your parents employed. I think so few families don't have those type of discussions. One of the objectives of this forum is so that people will get a sense of what worked in families and what didn't, and hopefully guide them to making better decisions.

Merrill Williams: I mean, I cannot enough speak highly enough about the family meeting. Let me say this. They weren't always pretty. I mean, we had a lot of contentious family meetings. But, they weren't contentious for sort of the reasons that one might suspect. They were contentious over -- you know, we do important things in those meetings, like who gets who what Christmas present. You know, we do the pick thing in our family. So, we'd have arguments, no, you got her last year. I don't want this one, that one. Most of the contention was over the foundation, where it would just take a long time and we would get frustrated. My father gave to a lot of places with acronyms, and we'd get them all confused. He would get mad that we couldn't remember. We could get mad, because we would want him -- you know, when we were younger there were certain times where all of us came and said hey, we should give money to -- Dad there is this great shelter that takes care of abused people, abused women, can we give them some money. He would say are you involved in it, are you on the board, do you volunteer there, like what is your connection. So, it -- and then he would be disappointed. The point being that they weren't always pretty, but they were a great forum.

Holleman: Clearly, very effective.

Merrill Williams: Very effective for us, because now we run our family foundation. That comes with its own sets of responsibilities, and it helped with that a lot.

Holleman: Talking about that, when you say we is it the three of you or your mother as well?

Merrill Williams: The four of us.

Holleman: The four of you? Okay.

Merrill Williams: The four of us have our family foundation.

Holleman: Yes.

Merrill Williams: We view it as -- again, because it's the money my mother and father made we very much view it as it's my mom's.

Holleman: Sure.

Merrill Williams: She has the -- sort of her vote counts. It's back to the --

Holleman: She has the super majority vote.

Merrill Williams: Yes, she has the super majority vote.

Holleman: Yes. During the early months, that, sort of, year period, if you will, subsequent to your dad dying and, you know, getting things sort of organized, are there things that occurred, were there advisors, and not necessarily specifically advisors but types of advisors that really were good stewards that might -- or were there specific things that happened, whether in the grieving process or in, sort of, the business decision process that maybe you could share that would be helpful to others who might find themselves in a situation like that?

Merrill Williams: That's a good question. I mean, our family lawyer was extremely helpful, obviously. I will say this --

Holleman: Was he an estate planning lawyer or more of a general --

Merrill Williams: He's more of a general lawyer, but does a lot of estate planning. I will say this. I think we sort of messed that part up. What I didn't understand, and I don't think my father understood, and my father was an extremely bright individual, the tax consequences of everything we did. So, without getting into the details, which, frankly, I don't think I could explain the details even if I wanted to, there were a lot of little things that happened because of taxes that went a different way. Right now, 2010, we're in this crazy year where there's no estate tax. So, somebody dying this year for their family it's going to be very, very different than someone who dies last year or next year. So, some of this is having that flexibility and having the trust of the lawyer to say okay, let's -- instead of selling the company and carving out this piece let's carve out this piece and then sell the company or something like that.

Holleman: Sure. However the mechanics --

Merrill Williams: However the mechanics worked, having a really good person with the mechanics made a difference. I mean, that was a huge education for us.

Holleman: So, you found that person subsequent?

Merrill Williams: No, he's been our family lawyer for, I don't know, 30 or 40 years.

Holleman: Sure.

Merrill Williams: Frankly, I worry more about his passing. His passing is of great concern --

Holleman: Sure.

Merrill Williams: -- because a lot this is just sort of institutional knowledge, especially -- and I think this is probably true of a lot of family businesses, I don't know,

but I'll give an example. The property that our plant is on, the newspaper plant -- I still say our, even though it's not ours anymore, in Annapolis, the -- I might have this reversed, but let me say it. It's on, I don't know, probably 30 acres or something. There's like ten acres in front that we owned joint with our minority partner. The ten acres in back we owned outright, or vice versa. Actually, I think it's the reverse. But -- and we had some real estate holdings, some of which we owned with our minority partner, meaning they were purchased within the company, and some of which were purchased outside of the company. Now, one might think that this was done for a reason. But, we all knew my dad. It totally was not done as a planned, well, I want this one to be personal and I want this one to be part of the business. It was just a complete kind of -- probably whatever taxes that year made sense and the company had overprofits so he decided, okay, I'll buy something with the profits to do this. Another year, maybe he had high income tax or -- but having -- so, it was very complicated. Having somebody who knew all of that institutional knowledge was really vital and really helpful. I don't know how somebody could have picked it up. It would have been difficult. Some of the stuff was bought in, you know, 1974.

Holleman: Sure. Were there things in that regard, and, again, not necessarily specifics, that you think you wish he had done before differently, in other words transfer this or done this trust there or -- I mean, you always --

Merrill Williams: The quick answer is yes. The long answer is he wouldn't have done it anyway.

Holleman: Yes.

Merrill Williams: Meaning that he would have said -- I mean, just given my father's personality he would have said I'm dead, you have to deal with sorting that out. He was a person who really liked to live life to its fullest. I assure you, he was not going to spend days untangling his personal finances from his company finances with lawyers. He would have said forget it, I'm not spending my time that way, I'm going sailing, I'm going skiing. When we asked him about -- we would sometimes at the family meetings say hey, if you died, Dad, where would you like to be buried. He'd say that's not my problem, I'm dead. That's your problem. I had to deal with that with my parents. Now you have to deal with it. Well, that's not very helpful.

Holleman: Yes, thanks. Isn't it funny, though, how those experiences just translate right on down. In other words, that's what I went through, that's what you'll go through kind of deal.

Merrill Williams: Yes. Some people are very specific.

Holleman: Yes, you bet they are.

Merrill Williams: They want to be -- and that can hurt too. Let me interrupt and say that one really, really great piece of advice that I did get from him, he said to be very, very careful about hand from the grave. He told us, and especially with our foundation -- and I should come back to the foundation for a minute, because there's some lessons out of that in business -- hey, if you try to run the company trying to do what I would do you will be a failure. So, I don't feel this pressure of what would he have done, how would he have handled this. Because he specifically said if you're going to ask yourself that at every turn you're going to fail. You just have to take over the company and run it how you trust your own judgment and see what is best. That was helpful.



Holleman: You bet.

Merrill Williams: Two other things that were very helpful for us, for our foundation he wrote a charter. That was extremely helpful. It had in it not -- like most charters this is what we give to. He also put in what we don't give to. That's turned out to be the most helpful part of the charter. We videotaped my father for an hour discussing why he started a family foundation, how he wanted the money spent. That is valuable to us, because we get to see him in a very relaxed nice environment talking. But I suspect, and the reason we did it, is it will be invaluable to our children.

Holleman: You bet.

Merrill Williams: It's very easy to pass -- not very easy, but it's easy to pass from one generation to a second. Really hard going from second to third. So, those two things are extremely nice to have.

Holleman: Well, I appreciate you sharing all the wisdom that you gained in your experience, and I think that this will be of great benefit to those who listen.

Merrill Williams: Thanks.

Holleman: Thank you.

(Whereupon, the interview was concluded.)

CERTIFICATE

I hereby certify that the foregoing is a true and accurate transcription, to the best of my skill and ability, from a digital recording.

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Jane W. Gilliam, Transcriber