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Correction

Independence Day Weekend

In celebration of Independence Day, the *Daily* will take a vacation until Monday, July 9. Have a great weekend.

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Current Newsstand Issue

News

Multex Warns of Big Revenue Drop-off, Cuts Staff By 15 Percent

by [Brian Morrissey](#)

After posting profits for three straight quarters, Alley financial-services information and technology provider [Multex](#) warned it would lose money on sharply lower revenue in the coming quarter. In addition, the company announced a restructuring plan, including a 15 percent staff cut and a pay cut for its executives.

For the second quarter, Multex expects revenues of \$24 million, 15 percent lower than the company had expected. Also, it anticipates a net loss (excluding non-cash charges) of \$1 million, versus the \$3.3 million to \$3.8 million predicted. Including charges, Multex anticipates it will lose \$8 million. Also, revenues are expected to remain mostly flat for the rest of the year, as the company feels the pinch of lower IT spending by businesses.

"The economic climate has taken its toll on businesses around the world," Multex CEO Isaak Karaev told investors in a conference call. "Multex is no exception."

The news sent Multex's shares spiraling downward, with its stock trading down over 40 percent by noon at 10 times its normal volume. JP Morgan cut its rating on Multex shares from "buy" to "market underperform." "With a high level of recurring revenues, we think this miss signifies a serious deterioration in the company's existing business, let alone growth prospects over the coming quarters," the research note stated. Last quarter, recurring revenues accounted for 75 percent of all revenues.

In order to deal with a slowdown that it expects will continue through the year, the company announced a restructuring plan. In addition to cutting 15 percent of its workforce and instituting pay cuts for executives, Multex will concentrate on its institutional-investor businesses over its individual-investor ones. As a result, the company plans to scrap its individual-investor portal Sage Online service. Also, individual-investor tool MultexInvestor and communication platform BuzzPower are slated for downsizing. The company will also scale back some of its international operations, where it has offices in London, Edinburgh, and Hong Kong.

Multex expects to finish the second quarter with \$44 million in cash.

This quarter, the company has suffered from canceled orders of licenses for company-profile platform Market Guide and BuzzPower, as well as canceled implementations of financial-institution ASP Multex Express.

"We are feeling the negative impact of worldwide financial conditions," CFO John McGovern said. "Our goal is to restore profitability as soon as possible."

In noontime trading, Multex's stock was trading at \$9.21, down from yesterday's close at \$16.01.

Feedback: letters@siliconalleyreporter.com

Media Bytes

▲ **MediaBistro Looks to Turn Cachet Into Cash**

by [Dakota Smith](#)

[Mediabistro.com](#), the oft-visited website for freelancers, the unemployed, and unhappily employed, is exploring new ways of bringing in revenue after years of offering its services for free.

Founded by journalist Laurel Touby in 1997, Mediabistro.com will begin selling memberships for \$49 a year. Although not mandatory to access the site, the memberships to what Touby calls Mediabistro.com's "AvantGuild" club will give cheaper entrance fees to the company's newly launched paid events: panel discussions, workshops, and classes. The most recently offered Mediabistro.com class is a 10-week journalism class costing \$395.



Additionally, the company is talking to New York City restaurants to offer discounted cuisine for AvantGuild members, and is in negotiations with database Lexis-Nexis to bring the service to members at a discount.

Even though the memberships haven't been officially announced, 200 people have already signed up, according to Touby, who projects that one third of the company's revenues will eventually come through the AvantGuild memberships.

"I re-thought the whole model," Touby says. "We're taking every single cost and turning it into a revenue stream: the panel discussions, the drinks, the entrance fees."

It's not the first time the site has creatively looked to take in cash. After receiving \$1 million last summer from New York-based Gotham Partners and *New Republic* Chairman and Editor in Chief Martin Peretz, Mediabistro.com re-launched, offering health insurance for freelancers, in a move that essentially resells insurance from company Horizon at a discounted group rate. (Touby says about 200 people are using the service.)

The most obvious and perhaps risky move to bring in money would be to charge users to see the job listings. Touby says she hasn't committed herself to anything, but is researching charging users for the most recent job postings. While the category of "Today's jobs" would be available free to AdvantGuild members, non-members would have to pay to see the freshest jobs.

But even after charging companies \$200 to post an advertisement (competitor JournalismJobs.com charges \$50 a posting), Mediabistro.com is not profitable, according to Touby, who says the company is about breakeven from month to month. With only seven employees, MediaBistro.com keeps overhead low. For the year's end, the company will post a \$87,000 loss, she adds, though next year, the company expects to post a profit. (According to Touby, the company hasn't gone through even \$400,000 of the \$1 million in VC funding.)

But California-based [JournalismJobs.com](#) Editor Dan Rohn says charging users in this type of market wouldn't fly. Already, the JournalismJobs.com site is profitable through its banner ads, job fairs, and other revenues streams, according to Rohn.

"Besides, we're in a different boat than Mediabistro.com," says Rohn. "I own the site outright. Mediabistro.com is probably feeling the heat from its investors to make some money."

It should be noted that there is no love between JournalismJobs.com's Rohn and Mediabistro.com's Touby. The two clashed earlier this year, after MediaBistro.com was caught copying job listings off JournalismJobs.com and Craig's List.

Touby admits MediaBistro.com took the ads, but says a MediaBistro.com intern was responsible.

Rohn also accuses Touby of looking at other job board sites, calling the employers listed and getting them to place on Mediabistro.com, a practice called "scaping."

"It's common, and standard to look at a site and then call the employers," Touby says. "We occasionally scrape jobs in the past to show new employers that we have great potential employees here."

Meanwhile, how MediaBistro.com will fare with exclusive membership fees is uncertain. After all, the reviews of both MediaBistro.com job listings and company parties are decidedly mixed. In its infancy, MediaBistro.com's job listings were a coveted, insider stop for magazine writers. But as the market for media jobs has sunk, the site has more and more listings for non-editorial work, including positions for advertisers, designers, and salespeople. A year ago, a job like "staff writer for *Jane* magazine" could be found; the current MediaBistro.com offerings include: "salesman for *Collegiate Monthly*."

"There are no plum jobs," Touby counters. "We're in a media depression right now. But look on our site--we have Conde Nast, Fairchild, and Gruner + Jahr."

As for the MediaBistro.com parties, which have expanded from small cocktail parties to full-fledged soirees, Touby's company still has some kinks to work out. Complaints about a recent paid panel discussion recently at the bar Half King led to MediaBistro.com offering to refund attendees' money.

Still, MediaBistro.com's job listings and parties have given the company a niche, as well as a high-profile name, and made Touby a mini-celebrity among both the Internet and journalism crowd. And MediaBistro.com's new revenue streams follow what many small-size content builders in the Alley are doing: finding ways to bank off their much-trafficked, popular sites.

Touby says this is all part of the original plan.

"I had thought this out three years ago," Touby says. "It was, 'Someday I'll charge for this, someday I'll charge for that.' We just had to do it sooner, we had to survive, but this has always been part of the overall master plan."

Feedback: letters@siliconalleyreporter.com

Alley Financing

▲ Vindigo Raises \$6.2M

by [Brian Morrissey](#)

In the face of a harsh market for venture funding, Alley wireless company [Vindigo](#) secured an extra \$6.2 million, bringing its total funding to about \$15 million. General Atlantic Partners, a previous Vindigo investor, led the round. JP Morgan Chase, Flatiron Partners, Stephens' Ventures, and Gradient Ventures also participated.

"It is a terrible, terrible time to raise capital," Vindigo CEO Jason Devitt said. "But there's always money for good ideas."

In the year since rolling out its software, Vindigo has built a user base of 500,000, branching into 20 cities through partnerships with content providers. With the company on Palm handheld devices, Devitt said he expected Vindigo to be on two other major devices by the end of the year. The funds are earmarked for use in research and development.

Devitt said the company scaled back its employee base slightly, adding, "It was a question of the market environment, and we had to be prudent." Vindigo now has 30 employees.

Despite the difficult market, Devitt said Vindigo would continue to expand, while realizing that companies are scaling back the size of their expenditures on such wireless initiatives. "All of the companies who have a stake in this recognize what a valuable market this will be," he said. "People are just less willing to commit dollars."

Feedback: letters@siliconalleyreporter.com

News Briefs

▲ Fashionmall.com Offers to Buy \$3M Worth of Its Shares

[Fashionmall.com](#) (Nasdaq: FASH) has offered to buy back 1.2 million of its shares at \$2.50 a share. The share purchase could represent up to 17 percent of the company's outstanding shares.

The fashion portal's shares have hovered near \$2 for the last few months, after once hitting as high as \$13. In a statement, Fashionmall.com said, "The company's management and board of directors believe that the company's business, assets, and prospects, coupled with the current market price of its shares of common stock, make the purchase of shares ... an attractive investment opportunity."

Most attractive of Fashionmall.com's assets is its balance sheet, which boasts about \$28 million in cash--well more than its current market capitalization of \$16.9 million. The company's chairman and CEO, Ben Narasin, controls almost half of its shares.

In early morning trading, Fashionmall.com's shares were mostly unchanged at \$2.31.

Feedback: letters@siliconalleyreporter.com

Press Releases [PAID]

▲ The 23rd Street Partnership

[next](#)

[Press Release]

Homelessness in America

Between 2.3 and 3.5 million people are likely to experience homelessness at least once during a year. On any given night 800,000 people are homeless, and 12 million adults have been homeless at some point in their lives. Please join us in helping these individuals to become economically self-reliant through our job training, and job placement program.

The 23rd Street Partnership is a non-profit organization which helps the homeless by providing these men and women with the skills to become economically self-reliant through job readiness training, community improvement projects and job placement.

We are privately funded by membership, sponsorship from corporations and foundations and fund raising initiatives. Many residential buildings and businesses in the area have joined our efforts to keep the neighborhood clean and to ultimately decrease the problems of poverty and homelessness in New York.

The 23rd Street Partnership relies on the generous contributions it receives from our business and community residents. We try daily to improve our streets and neighborhoods. Your support makes a great difference in the lives of the men and women, who through our program are rebuilding lives through work.

[I would like to make a gift to the 23rd Street Partnership](#)

If you would like to make a donation by mail or by phone, please contact the 23rd Street Partnership direct by calling (212) 274-0550 ext 28. For additional information, questions, or ways in which you can make a greater contribution and be involved with the Partnership, please don't hesitate to contact us at:

The 23rd Street Partnership
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The 23rd Street Partnership, located in the heart of Silicon Alley, is a community

improvement project resulting from a unique partnership between, the 23rd Street Association Inc., Housing and Services, Inc./ Kenmore Hall, the Gramercy Park Block Association and the Association of Community Employment Programs for the Homeless (A.C.E.)

Founded in the year 2000, the 23rd Street Partnership was created to help recovering homeless men and women in New York City. The mission of the Partnership is to serve the recovering homeless population of New York City by providing both short-term work and a systematic training program to teach the job and life skills necessary to gain full-time employment and ultimately a permanent home.

Participants in the 3rd Street Partnership program's Project Comeback are employed 6-9 months working part-time Flatiron/Chelsea area. Their duties include sweeping the streets and sidewalks, removing snow and ice, putting down rock salt, changing and cleaning garbage receptacles, as well as planting and tending trees and flowers. Integrated into this 20-24 hour workweek are training workshops in computers, resume writing, interviewing, conflict resolution, appropriate language and dress for work and legal rights. Once the program is completed, graduates receive support and guidance in securing full-time employment and permanent housing. Additionally, we have a two-year after-care program (Project Stay) that allows a counselor to stay with the graduates and assist them with different aspects of work, family and social life.

We are 100% privately funded with much of this support coming from the local residents and businesses in appreciation for the much-needed community service our clients provide. Unlike other neighborhoods in NYC, our area is not a BID (Business Improvement District.) Therefore, there is no taxation of businesses to cover the maintenance of the neighborhoods we serve.

We are very proud of our reputation and results. Of the participants who graduated in the past two years, over 70% earned full-time jobs and obtained permanent housing. Of those, 80% have been in their jobs for one year or longer. Moreover, we are helping to make the neighborhood a very attractive place to live, work and visit.

[Press Release]

Feedback: letters@siliconalleyreporter.com

▲ **About the Press Release Section**

About the Silicon Alley Daily Press Release Program:

Companies wishing to run press releases in our email newsletters, which reach over 100,000 highly qualified and targeted opt-in subscribers, should contact Richard Ortega at 646.473.2245 or email pressreleases@siliconalleyreporter.com

Press releases running in the Silicon Alley Daily are produced by our sponsors and are not endorsed by Rising Tide Studios.

Feedback: letters@siliconalleyreporter.com

Classifieds

Sell Low-Cost Custom Software Solutions in This New Cost-Conscious Era!

Transa (<http://www.transa.org/>) is seeking several entrepreneurial-minded sales/client relationship development executives for Metro NYC/NJ/MA/CT; define your own geographic territory & clientele. **No quotas, no timetables, no pressure; work on an independent basis at your own pace.** Very generous commission/profit sharing compensation plan. Any/all senior-level sales experience OK. Develop new client relationships & new sales opportunities in collaboration with & with assistance from Transa's pre-sales technical software architects. Technical software familiarity OK but not required. Transa is a software development consulting firm that provides complete Java or Microsoft custom software design, architecture, & development/programming services on a low-cost outsourced project basis, to clients located in Manhattan, Boston, Stamford, Hartford, New Jersey, and other locations. Contact Charlie Kaiko at 860-232-2930, e-mail kaiko@transa.org.

Sales Open House at ScreamingMedia - 7/18 - NYC

ScreamingMedia is inviting Sales Professionals with Internet and/or technology solutions sales experience to an OPEN HOUSE. On **Wednesday, July 18 from 6:30 PM to 9:30 PM**, thirty people will have the opportunity to learn about ScreamingMedia, have refreshments, hors d'oeuvres, and of course, interviews! An ideal candidate will have 6+ years of selling; B2B Internet technology (not Internet ad sales), e-business consulting services, or enterprise software sales experience. You'll need to be skilled with inside sales techniques BUT you'll also need a demonstrable track record of face-to-face presentations to "C-Level" clients for large proposals. You must first apply and then receive a confirmation to attend. Follow these instructions to apply: 1) attach your resume (MS Word or ASCII text), 2) write "OPEN HOUSE" in the subject line, 3) email to openhouse-ny@screamingmedia.com. That's it! We'll send you a confirmation and more details about the event. To learn more about us click here <http://www.screamingmedia.com/>. No calls, walk-ins or faxes accepted. If this job is not for you, feel free to tell a friend to apply. ScreamingMedia is an Equal Opportunity Employer.

Middleberg 1.2.1 Euro RSCG Seeks a Senior Account Executive - NYC

Middleberg 1.2.1 Euro RSCG (<http://www.middleberg121.com/>), is a one-to-one marketing company specializing in interactive customer acquisition and retention. Our employees are client driven, creative, dynamic, and are truly valued for their expertise and ability to consistently exceed our clients' expectations. **We are currently seeking talented Senior Account Executives to develop integrated online/offline marketing strategies based on client-specific goals.** Responsibilities: develop and maintain superior client relationships; concept and present significant creative contributions; lead and manage account service team; work with client as a marketing partner immersed in client business; remain in constant contact with the client-handling requests, answering questions, and keeping client up-to-date on the status of the account. Ideal candidates must possess: 4 years marketing background with experience in client relations, direct marketing, and interactive; agency experience is a definite plus. Interested candidates should forward resume and cover letter (including salary requirements) to Jim Lombard jim@middleberg121.com. EOE M/F/D/V.

Rising Tide Studios LLC Seeks a Director of Conference Sales - NYC

Rising Tide Studios LLC is seeking a NYC-based, experienced, aggressive **Director of Conference Sponsorship Sales** who can think outside the box and grow our fast-moving and highly successful conference business. RTS produces Silicon Alley 2001; Internet Healthcare 2001; Silicon Alley Venture Capital Summit, Digital Coast Venture Capital Summit, Wireless 2001 - as well as an Executive Dinner Series in LA and SF. S/he will work with our CEO and VP of Conferences to achieve sales goals, develop new products and manage a sales team. RTS also publishes *Silicon Alley Reporter*, *Digital Coast Reporter* magazines and online newsletters such as siliconalleydaily.com, digitalcoastdaily.com; ihealthcareweekly.com; wirelessreporter.com. We offer competitive compensation, a stimulating and fun work environment, and tremendous opportunity for growth. Please send resume and salary requirements to business@risingtidestudios.com. EOE

An Invitation to Participate in North American Tech Festival 2002 - 3/8-10/02 - Dallas, TX

North American Tech Festival 2002 is the first venture of its kind, combining a B2B and B2C Tech Expo with 200 exhibits, arts, entertainment, workshops, seminars, and a "keynote" by Watts Wacker. **This three-day celebration of technology in one of the hottest business markets in the country is seeking sponsors, exhibitors and partners.** One of the presuppositions of the Event is to create a cost effective vehicle for dotcoms to exhibit, create awareness, brand, and interact "1 on 1" with the final denominator - the consumer, while simultaneously creating the space for business networking and strategic alliances. Category exclusivity for the top three sponsorship levels, so ensure your company's participation today. Contacts: B. Glabman, Corporate Development, Bart@seminalevents.org; S. Pentz, Media Relations, Sara@seminalevents.org; M. Stevanovich, Community Director for in-kind media & marketing partnerships and sponsorships; Milan@seminalevents.org. <http://www.seminalevents.org/>

Columbia University Hosts ITV Conference - 7/17 - NYC

The Interactive Design Lab (IDL) at Columbia University invites you to attend "ITV Content E-mergency," a one-day conference on July 17 that takes a critical look at the emergence of new forms of content for interactive television. The potential to enhance television programming with interactive content and features presents TV's creative community with stark challenges. What kinds of "enhancements" will actually benefit a program, and why? The event features speakers from academia and the television and technology industries. Panels focus on the implications of new television technologies for traditional programming genres, as well as lessons learned from ITV deployments, and critical issues of the future. For information and registration, please visit: <http://www.idl.columbia.edu/itv-emergency/>

Already Wired -- Two to Ten Desks - for Rent in the Garment District - NYC

Silicon Alley Reporter is renting desk space - in groups of two to ten - with **T1 connectivity** in our office on 36th and 8th Avenue. Open space without cubicles or walls with wrap-around windows, shared conference rooms, reception, and with T1 connectivity, utilities, cleaning and porter services included. Easy access to transportation, with recently renovated bathrooms and kitchen. Available immediately. For more info, please e-mail jamie@siliconalleyreporter.com.

Available in Midtown Garment District - 7,000 Square Feet - NYC

Silicon Alley Reporter is renting an entire floor - open space with wrap-around windows, 2 freight elevators and 2 passenger elevators directly to office floor, AC, accessible public transportation, adjacent parking and T-1 connectivity available. Opportunity to use conference room, reception and other facilities negotiable, flexible terms. **Available immediately.** For more info, please e-mail jamie@siliconalleyreporter.com.

To Place an Advertisement

Classified advertisements are available to the public for \$450 for five days. To file a classified ad, please contact Karen Sharkey at karen@siliconalleyreporter.com

Press Releases are available to the public for \$325 per day. To place a press release, please contact Richard Ortega at richard.ortega@siliconalleyreporter.com

For all other advertising inquiries, contact Director of Online Sales, William A. Alena at bill.alena@siliconalleyreporter.com or Jay Chicoy at jay.chicoy@siliconalleyreporter.com

SAR welcomes feedback from readers at letters@siliconalleyreporter.com. All letters become property of SAR and may be edited for space and clarity.

Questions? Read the Silicon Alley Daily FAQ:
<http://www.siliconalleyreporter.com/dailyfaq.html>

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Rising Tide Studio Conferences:

Internet Healthcare 2001: April 24-25, 2001, NY
Wireless 2001: June 13-14, 2001, NYC
Digital Coast 2001: September 11-13, 2001, LA
Silicon Alley Venture Capital Summit: October 2
2001, NYC

(Please visit
<http://www.risingtidestudios.com/calendar.html>
updates and more info)

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