

# CRAIN'S

CHICAGO BUSINESS

NEWSPAPER

CHICAGOBUSINESS.COM VOL. 26, NO. 31

© COPYRIGHT 2003 CRAIN COMMUNICATIONS INC. ALL RIGHTS RESERVED **AUGUST 4, 2003** \$3.00

**LATE NEWS**

**NEAR NORTH'S NO. 2 JOINING RIVAL FIRM**

► The president of Near North National Group Inc. is going to a rival insurance brokerage and is not joining Chicago-based Hub International Ltd., which has agreed to buy Near North's insurance brokerage assets, industry sources say. William C. Bartholomay, who's been with Near North since 1991 and who, with owner Michael Segal, was a key generator of new business at Near North, will join the Chicago office of London-based Willis Group Holdings Ltd., sources say. Hub International, a publicly held insurance brokerage, has agreed to acquire Near North, but hasn't yet signed a definitive agreement. Near North's future has been up in the air since Mr. Segal was indicted last year on a fraud charge, an allegation he denies. Hub Chairman and CEO Martin Hughes didn't return calls requesting comment, and representatives of Near North and Willis declined comment.

**INSURANCE COSTLY ON O'HARE BONDS**

► Chicago will pay a record-high cost for insuring the nearly \$1-billion bond issue that goes to market next week for O'Hare *Continued on Page 2*

**INSIDE**



**At Northbrook Court, it's kids are us—sort of**  
The North Shore mall is playing with its store mix, aiming to cater to tots, their frazzled parents and their dotting—and free-spending—grandparents. **Page 3**

## Trib triumph at risk

Firm could win or lose big as Congress revisits FCC rules

By JEREMY MULLMAN

Shaun Sheehan expected to spend August unwinding, not twisting arms.

Tribune Co.'s Washington lobbyist helped deliver a huge victory in June, when the Federal Communications Commission (FCC) relaxed media ownership restrictions, clearing the way for the com-

pany's growth strategy. It was a sweet triumph for Mr. Sheehan, who had been working the FCC since 1996 on the issue.

But instead of reveling in his hard-won victory, Mr. Sheehan is scrambling to keep it from unraveling. In a startling turn of events, the obscure regulatory issue has ignited a grass-roots firestorm fueled by a

cross-section of interest groups opposed to media consolidation.

Mr. Sheehan is now vying with an unlikely combination of some of the nation's most powerful lobbying forces, ranging from Common Cause to the National Rifle Assn. Instead of the familiar turf of the FCC, he's navigating the halls of



Shaun Sheehan

See TRIB on Page 30



**30 minutes flat:** Franchisee Victoria Duran operates a low-tech Curves location in Lincoln Square where women follow a prescribed workout on resistance machines with intervals to get the heart rate up.

## Curves attracting notice

Hot health club concept offers no-frills workouts for women

By BRIAN McDORMICK

While health clubs tout amenities like personal trainers and spa services, a new player is pumping energy into the market with a no-frills 30-minute regimen designed to appeal to time-pressed women.

Curves International, based in Waco, Texas, has opened 110 women-only storefront exercise parlors in the area during the past two years. When another 40 open later this year, the Chicago-area franchise market will be virtually sold out. Most Curves locations are in the suburbs, but some franchisees are opening costlier city spots.

While big local players like East Bank Club; Lakeshore Athletic Clubs; Fitness Formula Inc., which operates Multiplex Clubs, and Bally's Total Fitness Holding Corp. aim to exploit the latest ex-

See CURVES on Page 25



**WORKING OFF THAT GUT**

Location totals for leading area health clubs

Curves	110
Bally Total Fitness	25
Women's Workout World	13
Multiplex Clubs	8
Life Time Fitness	7
Lakeshore Athletic Clubs	4
Equinox Fitness	3

## A RAISE FOR REYES AFTER BIG VICTORY

Spike in lobbying puts premium on clout

By GREG HINZ

Just weeks after landing the biggest contract in City Hall history, mayoral political confidant and former aide Victor Reyes got something better than a thank-you note from his client: a new lobbying deal that netted his law firm \$60,000 a month.

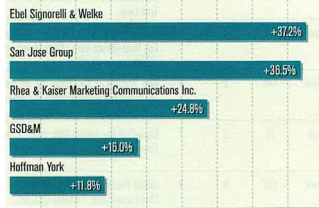
An inside document made available to CRAIN'S CHICAGO BUSINESS indicates that payments were made beginning in May 2001 to the Chicago office of Greenberg Traurig, where Mr. Reyes heads the local government relations practice. The fees were paid by California-based Bechtel Infrastructure Corp., which in March of that year won a hotly contested pact to design and build a \$1-billion-plus terminal at O'Hare International Airport.

The payments—totaling at least \$1.2 million over a nearly two-year period—were slated to continue for many more years, but slowed to a trickle at the end of 2002, when economic turbulence in the aviation industry forced the city to mothball terminal plans.

Bechtel says the fees covered a variety of newly expanded services Greenberg would provide in *See REYES on Page 28*

**CRAIN'S LIST**

# Chicago's largest advertising agencies



**LARGEST INCREASES IN GROSS REVENUES**

Revenues were up for 14—or 56%—of Chicago's largest advertising agencies. Ebel Signorelli & Welke posted the biggest jump, with 37.2%. San Jose Group followed with a 36.5% increase.



**MOST CHICAGO-AREA EMPLOYEES**

Leo Burnett USA Inc. is the largest local employer on the list, with 1,250 employees—more than one-quarter of the listed agencies' combined workforce. DDB Chicago is a distant second, with 650 employees. The agencies employ a total of 4,579 people here.



**NUMBER OF CLIENTS GAINED**

Twenty of the advertising agencies gained clients in 2002. Grant/Jacoby Inc. tops the list with 18 clients gained. A. Eicoff & Co. had the second-most gains: 11.

## RANKED BY 2002 CHICAGO GROSS REVENUES\*

Rank	Company/address/phone/Web address	Head of Chicago office	Chicago gross revenues (in millions) †			Headquarters	Chicago employees	Clients gained	Clients lost or resigned	Top accounts (handled by Chicago office)
			2002	2001	% change					
1	<b>LEO BURNETT USA INC.</b> 35 W. Wacker Drive, Chicago 60601 (312) 220-5959; www.leoburnett.com	CHERYL BERMAN <i>Chairman, chief creative officer</i>	\$379.0 †	\$351.0 †	+8.0%	Chicago	1,250	5	1	Philip Morris Cos., U.S. Army, Kellogg Co., Procter & Gamble Co., McDonald's Corp.
2	<b>FOOTE CONE &amp; BELDING</b> 101 E. Erie St., Chicago 60611 (312) 425-5000; www.fcbb.com	DANA ANDERSON <i>President, CEO</i>	\$95.0	\$90.0	+5.6%	New York	425	3	6	S. C. Johnson & Son Inc., Coors Brewing Co., Kraft Foods Inc., Deere & Co., Circuit City Stores Inc.
3	<b>CRAMER-KRASSELT</b> 225 N. Michigan Ave., Chicago 60601 (312) 616-9600; www.c-k.com	PETER G. KRIVKOVICH <i>President, CEO</i>	\$74.6 †	\$72.7 †	+2.6%	Chicago	182	4	1	Corona Beer, Winn-Dixie Stores Inc., AirTran Airlines, CareerBuilder.com, Hyatt Hotels Corp., LaSalle Bank Corp.
4	<b>DDB CHICAGO</b> 200 E. Randolph St., Chicago 60601 (312) 552-6000; www.ddb.com	ROBERT N. SCARPELLI <i>Chairman, U.S. chief creative officer</i>	\$91.5	\$85.2	+7.4%	New York	650	NA	NA	Anheuser-Busch Cos., Dell Computer Corp., J. C. Penney Co., McDonald's Corp., State Farm Insurance Co.
5	<b>EURO RSCG TATHAM PARTNERS</b> 36 E. Grand Ave., Chicago 60611 (312) 337-4400; www.euroscg-tatham.com	GARY EPSTEIN <i>CEO</i>	\$66.9 †	\$68.2 †	-1.9%	Chicago	225	4	3	Red Lobster, Walgreen Co., Alberto-Culver Co., Sara Lee Corp., First Health Group Corp.
6	<b>J. WALTER THOMPSON</b> 900 N. Michigan Ave., Chicago 60611 (312) 951-4000; www.jwt.com	BARRY KRAUSE <i>President</i>	\$59.1	\$60.2	-1.8%	New York	216	2	0	Kraft Foods Inc., Nestlé, Western Union Holdings Inc., Northwestern Mutual Life Insurance Co., Blackbuster Inc.
7	<b>ELEMENT 79 PARTNERS ‡</b> 200 E. Randolph St., Chicago 60601 (312) 233-8100; www.element79.com	BRIAN WILLIAMS <i>President, CEO</i>	\$45.0	NA	NM	Chicago	136	1	0	PepsiCo Inc., Quaker Oats Co., Supercuts, Tropicana, Frito-Lay Inc.
8	<b>OGILVY &amp; MATHER</b> 111 E. Wacker Drive, Chicago 60601 (312) 856-8200; www.ogilvy.com	LINDA GARRISON JOE SCIARROTTA <i>Co-managing directors</i>	\$41.8	\$41.9	-0.2%	New York	205	0	1	Sears, Roebuck and Co., BP plc., Kimberly-Clark Corp., Unilever
9	<b>RUBIN POSTAER &amp; ASSOCIATES</b> 314 W. Superior St., Chicago 60610 (312) 644-3536; www.rpa.com	WILLIAM MARKS <i>Managing director</i>	\$37.5	\$37.1	+1.1%	Santa Monica, Calif.	34	2	0	American Honda Motor Co., Gardenburger Authentic Foods Co., Potbelly Sandwich Works, H2O Plus, Learning Curve International Inc.
10	<b>HOFFMAN YORK †</b> 142 E. Ontario St., Chicago 60611 (312) 787-2320; www.hoffmanyc.com	DAVID F. SHEEHAN <i>President</i>	\$30.4	\$27.2	+11.8%	Milwaukee	22	3	0	Advocate Health Care, Follett College Stores, W. W. Grainger Inc., Rubbermaid Commercial Products, Chicago White Sox
11	<b>BURRELL COMMUNICATIONS GROUP LLC</b> 233 N. Michigan Ave., Suite 2900, Chicago 60602 (312) 297-9600; www.burrell.com	THOMAS J. BURRELL <i>Chairman, CEO</i>	\$24.8 †	\$24.1 †	+3.0%	Chicago	117	2	2	Verizon Communications, McDonald's Corp., Toyota Motor Sales U.S.A. Inc., Procter & Gamble Co., Sears, Roebuck and Co.
12	<b>GSD&amp;M</b> 625 N. Michigan Ave., 26th floor, Chicago 60611 (312) 573-5770; www.gsdm.com	BETTY PAT MCCOY <i>Senior vice-president, director of national broadcast</i>	\$20.3	\$17.5	+16.0%	Austin, Texas	63	5	2	MasterCard International Inc., DreamWorks LLC, Chili's Grill & Bar Family Restaurant, Fannie Mae, U.S. Air Force
13	<b>CHICAGO CREATIVE PARTNERSHIP</b> 314 W. Superior St., Chicago 60610 (312) 335-4330; www.cccp.com	KEVIN HOULIHAN <i>President</i>	\$18.7 †	\$22.3	-16.1%	Chicago	48	0	0	Bob Evans Farms Inc., Blue Cross and Blue Shield of Illinois and Texas, Central DuPage Health System, McCain Foods USA Inc., Medela Inc.
14	<b>RHEA &amp; KAISER MARKETING COMMUNICATIONS INC.</b> 400 E. Diethl Road, Naperville 60563 (630) 505-1100; www.rkconnect.com	STEPHEN L. RHEA <i>President</i>	\$14.4 †	\$11.6	+24.8%	Naperville	98	7	0	Bayer CropScience, Pharmacia Animal Health, Aurora Health Care, Merial Ltd., Detroit Medical Center

Chicago Business All Crain's lists and directories are available at [ChicagoBusiness.com/lists](http://ChicagoBusiness.com/lists).

Continued on Page 20

## Chicago's largest advertising agencies Continued from Page 19

Rank	Company/address/phone/Web address	Head of Chicago office	Chicago gross revenues (in millions) <sup>1</sup>			Headquarters	Chicago employees	Clients gained	Clients lost or resigned	Top accounts (handled by Chicago office)
			2002	2001	% change					
15	<b>MARKETING SUPPORT INC.</b> 200 E. Randolph St., Chicago 60601 (312) 565-0044; www.msinet.com	DAVID L. WEINER <i>Chairman, CEO</i>	\$13.8 <sup>2</sup>	\$13.5 <sup>2</sup>	+1.2%	Chicago	90	4	0	Chamberlain Group LLC, Home Depot Inc., ElKay Manufacturing Co., TroServ Corp., Robert Bosch Tool Corp.
16	<b>CAMPBELL MITHUN</b> 101 E. Erie St., Chicago 60611 (312) 278-6000; www.campbellmithun.com	THOMAS H. HAYDEN <i>Executive vice-president, general manager</i>	\$12.9	\$13.6	-5.1%	Minneapolis	50	2	1	National Park Board, Mutual of Omaha Insurance Co., Rust-Oleum Corp., Dairy Management Inc., Highlights for Children
17	<b>BBDO CHICAGO INC.</b> 410 N. Michigan Ave., Chicago 60611 (312) 337-7860; www.bbdo.com	TONISE PAUL <i>President, CEO</i>	\$11.6	\$10.9	+6.4%	New York	145	2	1	Wm. Wrigley Jr. Co., Bayer AG, Illinois Department of Commerce and Economic Opportunity, Standard Federal Bank N.A., Roche Diagnostics
18	<b>LAPIZ INTEGRATED HISPANIC MARKETING</b> 35 W. Wacker Drive, 12th floor, Chicago 60601 (312) 220-1376; www.lapiz-advertising.com	DOLORES KUNDA <i>President, CEO</i>	\$11.2 <sup>2</sup>	\$13.0	-13.8%	Chicago	28	2	1	Coca-Cola Co., Labatt USA, Kellogg Co., Hanes, Toys 'R' US Inc.
19	<b>SHAKER RECRUITMENT ADVERTISING &amp; COMMUNICATIONS</b> 1100 Lake St., Oak Park 60301 (708) 383-5320; www.shaker.com	JOSEPH G. SHAKER <i>Chairman, president</i>	\$9.6	\$12.1	-20.7%	Oak Park	152	6	4	United Parcel Service Inc., Wyeth Pharmaceuticals, T-Mobile USA Inc., CVS/pharmacy, B4 Lumber Co.
20	<b>LB WORKS</b> 35 W. Wacker Drive, 14th floor, Chicago 60601 (312) 220-3040; www.lbworks.com	JEFFREY J. JONES II <i>President, CEO</i>	\$8.4	\$9.0	+4.4%	Chicago	100	4	0	Gateway Inc., Earthlink Inc., Maytag Corp., Lexmark International Inc., Callard & Bowser-Suchard Inc.
21	<b>A. EICOFF &amp; CO.</b> 401 N. Michigan Ave., Suite 400, Chicago 60611 (312) 527-7100; www.eicoff.com	*RONALD L. BLIWAS <i>President, CEO</i>	\$8.0	\$8.0	NC	Chicago	100	11	0	Sears, Roebuck and Co., Liberty Medical Supply, Scooter Store Ltd., Galderma Laboratories Inc., Motorola Inc.
22	<b>SAN JOSE GROUP</b> 625 N. Michigan Ave., 16th floor, Chicago 60611 (312) 751-8500; www.thesanjosegroup.com	GEORGE L. SAN JOSE <i>President, chief operating officer</i>	\$6.0	\$4.4	+36.5%	Chicago	35	NA	NA	National Park Board, ATA Inc., Hormel Foods, Exelon Corp., GlaxoSmithKline plc
23	<b>EBEL SIGNORELLI &amp; WELKE <sup>3</sup></b> 318 W. Adams St., 3rd floor, Chicago 60606 (312) 364-4900	ROBERT EBEL, JAMES SIGNORELLI, ROBERT WELKE <i>Managing partners</i>	\$5.9	\$4.3	+37.2%	Chicago	NA	NA	NA	NA
24	<b>GRANT/JACOBY INC.</b> 737 N. Michigan, Chicago 60611 (312) 694-2055; www.grantjacoby.com	ANDREA MURPHY <i>Chairman, CEO</i>	\$5.8 <sup>2</sup>	\$6.3 <sup>2</sup>	-7.9%	Chicago	51	18	8	Car-X Auto Service, Dyeon LLC, International Truck & Engine Corp., TransUnion LLC, Aimco
25	<b>YOUNG &amp; RUBICAM INC.</b> 233 N. Michigan Ave., Suite 1600, Chicago 60601 (312) 596-3000; www.chi.yr.com	KARY G. MCLWAIN <i>President, CEO</i>	\$4.7	\$5.1	-7.8%	New York	107	2	1	Sears, Roebuck and Co., Miller Brewing Co., Great Indoors, Jim Beam Brands Co., Orbitz LLC

<sup>1</sup> Based on the Sarbanes-Oxley Act, advertising agencies are not required to disclose financial information; therefore, revenues estimates were calculated. List includes traditional advertising agencies. The list excludes integrated marketing specialties, health care and subsidiary shops. Revenue figures are only for the advertising segment. NA: Not available. N/A: Not measurable. NC: No change. (C): Crain's estimate. 1. Figures are Crain's estimates unless otherwise noted. 2. Provided by Crain's sister publication *Advertising Age*, from its "59th Annual Agency Report," published April 21. 3. Formed 2002. 4. Formerly Hoffman York & Reilly; name changed 1/03. 5. Formerly Ebel Dannel Merrick Inc.; merged with Creative Alliance 6/03.

Research by Katrina Fenrick and Marie Pospichal  
Additional research by *Advertising Age*

# CHART JUMP

MEET MR.

[www.chicagobusiness.com/bookoflists](http://www.chicagobusiness.com/bookoflists)

George L. San Jose President & Chief Creative Officer of The San Jose Group a Multicultural Advertising Agency