

## “Michael Calderone of Las Vegas, NV”

### “Generating Recognition for Small Public Companies the Right Way”

Small public companies have a tendency to hire PR firms to help create awareness for them. We have found, on many occasions, that some of these questionable small cap companies hired the services of MDC (Marketing Direct Concepts). At first we thought MDC was another typical PR firm, but our team of investigational reporters brought back information to the contrary. In fact, this PR firm was probably the most legitimate organization we investigated. Here is what we learned.

MDC Inc., a Las Vegas corporation, owned by Michael A. Calderone of Las Vegas, NV, was a very powerful public relations company that grew from a 5-man to a 50-man operation in less than a year-and-a-half.

**Insider-Magazine.com** reporters, utilizing all their sources, found that Michael A. Calderone, a resident of Las Vegas and a prior resident of Los Angeles, CA and originally born and raised in New York, has no criminal record and has never been indicted or investigated by any state or federal organization. Further research revealed that Calderone’s background is not stocks or stock promotion. He is a tech-savvy, Internet marketer with a strong background in direct marketing, through both new and traditional media.

Our sources learned that Calderone felt there was a market opportunity to assist small public companies with unique products and services by creating recognition campaigns that would help create awareness for these companies through the investment community.

Calderone’s marketing expertise and ability to create awareness for small public companies was quickly recognized by hundreds of small cap companies throughout the United States in the mid-to-late-1990s. Though a lot of Calderone’s clients were legitimate, reputable companies looking for new ways to either raise capital or attain market recognition, some of these companies were not legitimate. One thing **Insider** found interesting about Michael A. Calderone of Las Vegas, NV and his company MDC was that the majority of their compensation was taken in the form of restricted stock. The stock normally carried a restriction for two years, meaning that Calderone and his company was relying on the success of these small cap companies in the long run in order to make substantial profits for their marketing services. In other words, Calderone never sold stock on any company he represented during the promotional period. The upfront fees that Calderone collected in the form of cash barely covered marketing costs associated with the PR campaigns for those companies. Calderone’s PR company was very unique because they truly relied upon the success of the companies they represented in order for them to make a profit.

Calderone put together a very clever and powerful marketing program utilizing both the Internet and traditional media publications, specifically six major airline in-flight magazines, where each month Calderone would feature two to four small cap companies in an advertorial manner inside these publications. Calderone also ran a national radio show called Stock-Up that was syndicated in over 100 cities and had some very prominent guests on a weekly basis, including top economic advisors, financial analysts and business owners. Marketing Direct Concepts also operated financial websites that provided a wide range of information on not just small companies, but Fortune 500 companies as well.

As the demand for MDC's services grew in the mid-1990s, Calderone found himself in a very unique situation by becoming one of the most powerful PR firms for small cap companies in America.

Some of the companies that hired Michael A. Calderone and his company provided information to him that was not accurate. In turn, that information was published as an advertorial piece in the airline publications, on his radio show and his financial websites. MDC believed the information provided to them by these companies was accurate because all of the information was filed with the Securities and Exchange Commission as part of the companies' annual filings and as part of their audited financial statements. Calderone felt that if the companies were disclosing this information to regulatory agencies and the information was audited by independent, third-party accounting firms, licensed in the states where they practiced, therefore all such information should be accurate.

Calderone and Marketing Direct Concepts eventually began questioning some of their own clients' credibility and began internal investigations which eventually led to the SEC shutting down several companies.

Calderone initiated contact with the SEC and brought to their attention several of his clients that he felt might be providing information that was not accurate. The company that was of most concern to Calderone was a company called Texas American Group.

MDC, under Calderone's guidance, initiated contact with the SEC and helped them build a strong case against Texas American Group. By August 1998, before the official SEC investigation even began, Calderone returned all the restricted shares, over \$2 million, to the company and canceled the Texas American Group contract. The SEC's investigation led to the shutting down of Texas American Group. In August 2000, the SEC filed suit against the Texas American Group and several individuals associated with the company.

Two of the many companies that became very successful that were touted by MDC were Oshman Sporting Goods, a national sporting goods chain that was bought out at twice their stock price, as predicted by MDC's analyst, and Labor Ready, which at the time was a small company providing day labor for small-to-medium-sized businesses trading on the BB Stock Exchange. MDC felt that Labor Ready had a business model that filled the void and the company was significantly undervalued.

## **OUR UPDATE ON MICHAEL A. CALDERONE OF LAS VEGAS**

**Insider** decided to do a follow-up piece on Calderone and MDC. We found that his company was no longer in business and Calderone no longer had a desire to work with public companies. Though MDC was an extremely profitable business, Calderone was not comfortable working in the PR business for small cap public companies anymore. Calderone is a true entrepreneur, was off on new adventures specifically tied to Internet marketing and advertising. He said he was developing new technologies to help the horse racing industry reach the next-generation horse racing fan through social media and social gaming applications.

**Insider** learned Calderone has a very strong passion for horse racing, though he is not a gambler. "Horse racing is a fantastic sport and really engages consumers at all levels," said Calderone.

“From a spectator standpoint, it’s probably the most exciting because the fan plays such an important role in the outcome. It’s the perfect sport to utilize social media and social gaming applications.”

When questioned about MDC during our phone interview, Calderone replied that it was a very successful company and a great concept. In fact, he was proud to say that a lot of those companies that he helped promote have become major companies today. “My pride and joy is Labor Ready, which is now a multi-billion dollar company trading on the New York Stock Exchange. Just think, I was promoting it when it was a small company on the Bulletin Board Exchange.” He said he learned that most small cap companies need to gain recognition on their own. That’s the way the system is set up. “Trying to treat small cap companies like products or services, though effective, may not have been the wisest thing to do. I’m an entrepreneur and at the time I thought it was a great idea, trying to put myself in the position of a CEO of a small public company.” Asked if he would ever be involved in working with public companies again, Calderone replied, “The only thing I have to do with stocks now are the few shares of Fortune 500 companies that I keep in my own portfolio.”

*Publisher’s notice:* Michael Calderone contacted **Insider-magazine.com** after discovering our previous internet article in which his name was mentioned in a derogatory manner deeply offending Mr. Calderone as incorrect information published was apparently wrong and bordered upon libel. After extensive investigation into facts and working with Mr. Calderone and others to verify and correct any false statements and half-truths, we are obligated by laws and fairness to publish our findings and apology. In our Agreement to settle this matter and comply with state and federal laws Mr. Calderone has agreed not to proceed against the magazine in court for libel by a former reporter no longer with our magazine.

Insider-Magazine.com has always strived to uphold the factual credibility of our publication as we are not bloggers – but we remind our readers and bloggers – Free Speech does not give us or anyone a free pass to print untruthful information. In the course of Insider-magazine’s long history there have been no threats of lawsuits because our information has always been accurate and instances where it has been brought to our attention the article contained inaccurate information we have made those corrections that the complaining party could disprove our source with facts.

John Caylor – Publisher/CEO Insider-Magazine.com